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DOCUMENTS ON BRITISH FOREIGN POLICY

1919–1939

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SECOND SERIES

Volume XIX

LONDON
HER MAJESTY'S STATIONERY OFFICE

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First published 1982
HER MAJESTY'S STATIONERY OFFICE
Government Bookshops
49 High Holborn, London WC1V 6HB
13a Castle Street, Edinburgh EH2 3AR
41 The Hayes, Cardiff CF1 1JW
Brazennose Street, Manchester M60 8AS
Southey House, Wine Street, Bristol BS1 2BQ
258 Broad Street, Birmingham B1 2HE
80 Chichester Street, Belfast BT1 4JY
Government publications are also available
through booksellers

~~DA5 .06 A [illegible] V.1~~

PRINTED IN ENGLAND
FOR HER MAJESTY'S STATIONERY OFFICE
AT THE ALDEN PRESS, OXFORD

Dd 699467 c 11
ISBN 0 11 591557 5*

DOCUMENTS ON BRITISH FOREIGN POLICY
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Second Series, Volume XIX

European Affairs
July 1, 1937–August 4, 1938

PREFACE

The main theme of the Foreign Office documents published in this volume is the British Government's search, in the autumn and winter of 1937–8, for a comprehensive settlement of differences with Germany and Italy. In this effort such progress as was achieved owed much to the new prime minister, Mr. Neville Chamberlain, who had taken office on May 28, 1937. He was determined to push ahead with the negotiations in spite of what seemed to him at times the excessive professional caution of members of the Foreign Office, and more particularly of Mr. Eden, the Secretary of State for Foreign Affairs. They in turn were too conscious of the complexities of current international problems and the disappointing progress of earlier negotiations for agreement with Germany, Italy, and Japan to respond quite as blithely as the prime minister desired. The differences of approach to these projected agreements contributed to Mr. Eden's resignation in February 1938. They were, nevertheless, essentially tactical, and there is no substantial divergence to be discerned between Cabinet and officials on the broader objectives of British policy and the limits of concession to Germany and Italy. The present volume takes the story, as far as Germany is concerned, from July 1, 1937, to March 8, 1938, and thus links up with the documentation on Anglo-German affairs after that date already published in the Third Series of this Collection. That Series did not, however, include the documentation relating to the negotiation of the Anglo-Italian agreement of April 16, 1938, which accordingly is published in the present volume.

In the case of Germany there were still hopes in London in the summer of 1937 that a 'general settlement' could be achieved following the successful conclusion of a western pact, which Herr Hitler had dangled before British and French eyes in March 1936, after his Rhineland coup. The British Government's terms for the pact, as set out in its state paper of November 19, 1936 (Volume XVII, No. 389) had, however, been rejected in the following March by the German Government as a one-sided limitation of the non-aggression provision to Germany's disadvantage. This was because the French and British Governments proposed, when signing the pact, to maintain their existing treaty obligations, including that of France to go to the assistance of the United Kingdom, Czechoslovakia, Poland, and the Soviet Union against Germany; Great Britain similarly had obligations under the League Covenant and to France under the Locarno arrangements. The German Government no doubt had these reservations in mind when it spoke so frequently of its disappointment at British rejection of German friendship. This was rightly interpreted in the Foreign Office as tantamount to a demand for a free hand for Germany to pursue her aims, whatever they were, in Eastern Europe, including the Ukraine.

Neither the Foreign Office nor the Cabinet ever proposed the surrender of these 'exceptions', as the Germans called them, and both were aware that the continuance of this veto might ultimately involve Britain and France in war. It was generally understood that the Chiefs of Staff did not believe that war in Europe should be risked by Great Britain before 1939, and that amicable, if inconclusive, negotiations might postpone until that time any impulsive aggression or 'mad dog' action by the dictators. Mr. Chamberlain told Mr. Morgenthau, his opposite number in Washington, in a letter of March 16, 1937, that the 'main source of the fears of war in Europe is to be found in Germany'; British rearmament plans were, he said, essential, and had been generally welcomed; remaining anxieties were due to doubts 'whether this country's rearmament will be adequate or will be completed in time to act as a deterrent to German ambitions' (Volume XVIII, No. 268). Both Mr. Chamberlain and the new British Ambassador at Berlin, Sir Nevile Henderson, assured each other in April that British rearmament should be relentlessly pursued, 'since no argument would count with the Government of Hitler except that of force' (*ibid.*, No. 455, note 1). But it has to be accepted that Mr. Chamberlain was not entirely convinced by these arguments. While agreeing that negotiations might at least gain time he had taken the lead in April in promoting discussions with Germany on the basis of recent proposals from Dr. Schacht with comments that suggested, however faintly, hopes for something more—no less than a possible change of heart on Herr Hitler's part. He argued that Hitler had given definite assurances of his peaceful intentions in an important recent speech; it was difficult for a dictator to climb down publicly and no opportunity of reducing international tension could be missed. This and many references in his private communications with like-minded colleagues such as Sir Samuel Hoare and Lord Halifax to the need and possibility of reducing tensions, improving the European atmosphere, and seeking reconciliation with Germany and Italy and even Japan, certainly suggest doubts in his mind about the all-sufficiency of the nothing-understood-except-force argument.

These rather contradictory impulses, which characterize his frame of mind as regards Germany at the time of his accession to the premiership, are well illustrated by the documents published in Volume XVIII and discussed in the preface to that volume. And they inspired the further efforts at Anglo-German agreement made by Lord Halifax in November 1937 and by Sir N. Henderson in March 1938, and described in the present volume (see particularly Nos. 336 and 615). The proposals made were visualized only as a contribution to a 'general settlement', with any concessions from the British side balanced by an adequate *quid pro quo* from Germany, and in particular a convincing contribution to disarmament and the abandonment of warlike expansionism in central and eastern Europe. The British offers were thus—from the German point of view—of an extremely limited and indeed unattractive character: little more than some circumscribed colonial concessions in Africa and some economic aid. The free hand for political and military expansion in eastern Europe and even support in a German war with

Russia, for which Hitler and Ribbentrop evidently hankered, were never contemplated in London or discussed with the Germans.

If the Foreign Office failed to respond to Mr. Chamberlain's lead with the alacrity that he desired the reason was essentially professional: they saw little evidence at this stage that Germany wished for a genuine *détente* and they were distrustful of initiatives by unorthodox agents such as Dr. Schacht, the German Minister of Economics. They felt that it was better to negotiate if at all through the German Foreign Office and the Foreign Minister, Baron von Neurath, within the framework of the 'western pact' proposals. They felt that Dr. Schacht might manoeuvre them into a commitment to colonial concessions without adequate reciprocal terms. The sophisticated and somewhat pessimistic view of the German section of the Foreign Office seems to have been that statements affirming the continued British interest in Central Europe might cause German expansionists to hesitate, but that since no British commitment to fight was possible before at least 1939 even the most minimal concessions to Germany might encourage her premature expansion. They seem to have had no real hope by this stage that Nazi Germany would ultimately settle for a peaceful future. The position with regard to Italy was somewhat different. Here there is no doubt that the conclusion of an agreement settling all outstanding differences seemed possible and perhaps of general value as a weakening of the Axis: but Mr. Eden's experience of negotiation with the Italian Government since 1935 left him highly distrustful of their approaches.

The documents in Chapter I of the present volume show that July 1937 went by in rather anxious discussion of the obstacles to both German and Italian agreement, with signs of impatience on the part of the prime minister. In a despatch of July 5 Sir N. Henderson insisted that the aim of German policy was to induce Great Britain to dissociate herself, not from France, but from the French system of alliances in Central and Eastern Europe: he left open the question whether 'a free hand in the East' meant peaceful evolution or the mailed fist, but was sure that this was Germany's essential requirement of Great Britain and that the colonial question was of only secondary importance. The despatch hardly merited Sir R. Vansittart's comment that it was 'a curiously naif document, and had better be consigned to oblivion' (No. 16, note 4). Following up a remark made to the ambassador by General Goering in June, Mr. Eden instructed him on July 16 to invite the general to explain 'more frankly' the grounds for his statement that the German people continued to regard England as 'the enemy in their path'; the despatch described the presumed German grievances as 'largely' imaginary. There followed a full statement of the British Government's attitude on the outstanding issues in terms which were certainly very far from granting 'a free hand in the East'. The British Government could not, it said, condone any change in the international status of Austria achieved by force against the will of the inhabitants; nor could they condone it in the case of Czechoslovakia, although they had used their influence in Prague to see removed the legitimate grievances of the *Sudetendeutschen*. In the case of Danzig and Memel, no concrete German proposition had apparently been made; any change must be negotiated, but this did not mean that the British Government was opposed to German interests. And if General Goering argued with regard to the Soviet Union that Great Britain was declining 'to give Germany a free hand or even join the anti-Communist crusade' the ambassador was to say firmly that this raised a fundamental issue on which the British Government could not compromise. They 'must take the Soviet Government as they find them in the conduct of international affairs, nor refuse cooperation, if its offer appears to be genuinely made, simply on account of divergence of political creed, and they cannot join any combination against the Soviet Government on the ground that the Soviet Government is a Communist Government and as such ought to be boycotted'. On colonies and trade the ambassador was to avoid reference to Dr. Schacht's conversations and suggest that colonies were a subordinate issue which could only be discussed after the settlement of a number of far more urgent matters (No. 41).

This was very much the Foreign Office's line: eschewing consideration of changes brought about by force, proferring no hostility to genuinely peaceful change, and refraining from any indication of an intention either to oppose forcible German action or not to do so. The approach to General Goering was considered useful only in view of Baron von Neurath's failure to come to London for discussions. Henderson did see Goering on July 20 and put the question to him; Goering promised to reply in writing, and Henderson states that most of the points of the despatch were put by him in conversation (No. 52). The incident is important for the full statement of British intentions in Central Europe that it elicited, and if Henderson spoke frankly it can have given the Germans no encouragement or done much to challenge satisfactorily their conception of Britain as the chief enemy. It is surprising that anyone in London believed otherwise. The tone of the despatch (drafted apparently by Mr. Strang) may have been influenced by the Foreign Office's continued and now well-established worry lest Henderson, in his desire to forward Mr. Chamberlain's search for agreement, would concede too much. This was to be the subject of much internal minuting in the Office, and efforts to ensure that he understood and adhered to his instructions: he always protested blandly that he did (see Nos. 295, 299, 301, 315, 319, 324, 325, 334, 344, etc.). In fact there is no reason to think that his amiability in Berlin had much effect, one way or the other, in persuading the Nazi leaders that Britain was a 'friend', in the precise politico-strategical sense in which they understood the word. On July 16 a note aiming at a new approach to the Locarno discussions was presented to the Belgian, French, German, and Italian representatives in London, more in the hope of keeping the question alive than of securing early progress towards the western pact (No. 46); it made no concessions and was more or less ignored in Berlin.

Mr. Chamberlain was well aware of the difficulties experienced by British ambassadors in meeting and talking to the heads of totalitarian states and he hoped that his own position might be used to facilitate contact with the dictators. As Herr Hitler remained remote he tried his luck with Signor

Mussolini. The Foreign Office had no reason to disapprove. Sir Eric Drummond, the British Ambassador at Rome, had sent an alarmist report on July 2 suggesting that a stream of strongly anti-British articles which the Duce was contributing to the Italian press might be the prelude to an eventual war with Great Britain. He had, however, had to turn down a suggestion from Sir Robert Vansittart a few days before that he should personally seek an interview with Signor Mussolini to discuss their differences (Volume XVIII, No. 658). When the subject was discussed in the Cabinet on July 8 Mr. Chamberlain thought that there was very little that could be done to break the deadlock, and could only suggest that the real counter to Italy's disquieting attitude was to get on better terms with Germany (No. 24). By the middle of the month however the idea of a direct message to Mussolini from Mr. Eden was gaining ground; it was suggested by Lord Halifax, and Sir Ronald Graham, former Ambassador to Italy, strongly favoured it as the sort of action that the Duce appreciated. On July 17 Sir O. Sargent elaborated the idea, proposing the sending of a personal letter by either the prime minister or Mr. Eden (No. 45). In the circumstances Mr. Chamberlain's action on July 27 in writing a personal note to Signor Mussolini followed naturally on a long conversation which the Italian Ambassador, Count Grandi, had sought on Mussolini's instructions (No. 64): it met the Foreign Office's desire to establish highest-level contact, and there seems little point in Mr. Chamberlain's subsequent remark in his diary (written in the following February when his breach with Mr. Eden was at its widest) that he had had the feeling that Eden 'would object to it' (see Appendix I, p. 1138). All one can say is that the Foreign Office would have liked Sir E. Drummond to be entrusted with the actual delivery of a letter in order to establish direct contact (cf. No. 65, note 1). Mussolini replied in satisfactory terms on July 31: it was his warmest wish to meet the prime minister personally; he cherished the recollection of his work with Sir Austen; and he agreed to the suggestion of conversations to examine all questions between them still awaiting a solution (Nos. 80, 81).

All this seemed satisfactory as a means of reducing the extreme tension that had been suggested by Mussolini's articles, but Mr. Eden at this point had no trust in the good will of the Italian Government and was opposed to early negotiations for an Anglo-Italian settlement. He was, however, away from the Foreign Office on holiday during the first three weeks of August, and the curious situation arose in which Lord Halifax, who took charge in his absence, had to pass on to Mr. Chamberlain the Foreign Secretary's dislike of the proposed negotiations which both he and Mr. Chamberlain were eager to launch (see No. 79, note 1, and No. 90, note 20). Sir E. Drummond, who was in England on leave, attended an important departmental meeting on August 10 in which the main problems involved in an Anglo-Italian settlement were examined (No. 90), and this document was to form the basis of the Ambassador's instructions for the negotiation of the Anglo-Italian agreement in the following April. But in the meantime news came in of an apparently indiscriminate campaign of attacks by Italian submarines on oil tankers, including British, sailing to the territory of the Valencia Government, and a ministerial meeting called by Mr. Eden on August 17 agreed that His Majesty's ships should counter-attack any submarine in Mediterranean waters that attacked any British merchant ship without warning (No. 94). Mr. Chamberlain agreed on September 1 that the Mediterranean situation must be discussed at Geneva if the other Mediterranean powers so desired, and he remarked that Mussolini's friendly message of a month earlier 'could not be held to justify indulgence in the conduct of which the Italians were now apparently guilty in the Mediterranean' (No. 111). But he still believed, as Eden did not, that an Anglo-Italian agreement should be negotiated as soon as possible. A basic difference of tactics between Mr. Eden and the prime minister had thus been clearly defined during August, and Mr. Chamberlain admitted to the Cabinet on September 8 that he knew the Foreign Secretary 'found difficulty in going quite so far as he (the Prime Minister) would like to go' in pursuit of Anglo-Italian agreement. Privately he grumbled that the Foreign Office had no imagination and no courage (No. 144).

This difference of approach was reflected in the studied politeness of Anglo-Italian exchanges during the conference which opened on September 10 at the Swiss town of Nyon. The Italians did not attend on the ground of their indignation at a Soviet note of September 7 accusing the Italian navy of sinking two Soviet steamers (No. 127). If this abstention was an attempt to paralyse the proceedings it failed and the British and French naval staffs had agreed speedily in principle by September 13 on zones of operation for their two fleets in the Mediterranean in dealing with the 'anonymous aggressions'. But Italy was invited, as a 'great Mediterranean power', to participate; her help, said M. Delbos in his closing speech on September 14, 'will favourably complete the work of pacification which we are so desirous of carrying out' (No. 167). An agreement between naval representatives of France, Great Britain, and Italy was signed on September 30 satisfying the Italian desire for a share in the naval measures equal to that of the French and British fleets (No. 214). The effect of this crisis was evidently to strengthen the Foreign Office sense of Italian incalculability and the need for caution, while it increased Mr. Chamberlain's anxiety to get the negotiations for a general agreement going again as soon as possible.

An agreement turned essentially on two problems: the Italian Government's involvement in the Spanish civil war and its desire for the *de jure* recognition of its position in Ethiopia. The latter would have to be achieved by a decision of the League of Nations Assembly and it had been agreed at the departmental discussion on August 10 that only Great Britain could take the necessary initiative at Geneva to ensure recognition of the fact that Abyssinia was no longer a fully self-governing state. After the meeting Lord Halifax had found Mr. Eden distrustful of the Italians and very unwilling to take the proposed initiative (No. 90, note 20). The submarine crisis leading up to the Nyon conference followed, and he telegraphed from Geneva on September 16 that Mussolini's recent conduct made any fruitful initiative at the current meeting of the Assembly impracticable (No. 170). More was involved in these criticisms than Mr. Eden's abiding conviction that the Italians could not be trusted to keep a bargain. The Cabinet minutes of September 29 are of particular interest, and brought out some of the broader issues as he saw them: he argued that British interests would in fact best be served by a stalemate in Spain leading after a considerable delay to a compromise solution, but he supported a proposal by M. Delbos for tripartite Anglo-French-Italian talks on means of making non-intervention effective in Spain by the withdrawal of the non-Spanish nationals. Mr. Chamberlain, who agreed to this proposal apparently with reluctance, insisted that there should be simultaneous conversations between Count Ciano and Lord Perth to hasten on the Anglo-Italian settlement visualized in the Chamberlain-Mussolini letters in July (No. 217). The Italian Government however quickly turned down the tripartite proposal, arguing that the question of the volunteers could quite well continue to be discussed in the Non-Intervention Committee (Nos. 216, 237), and for one reason or another the search for the general agreement made little progress for the next three months.

For this the histrionic dynamism of Signor Mussolini was no doubt partly responsible; his moves and speeches, as the Foreign Office studied them, seemed inconsistent, possibly sinister, possibly mere showmanship. Sir R. Vansittart and his Foreign Office advisers were, nevertheless, convinced by mid-November that there were 'unnecessary risks' in delaying the opening of the Anglo-Italian negotiations in Rome (No. 304, note 3). The Italian debate took up much of the time of the Foreign Office and the Cabinet, but progress was dependent essentially on the willingness of the Italian Government to disentangle itself convincingly from the war in Spain.

The documents on the Spanish war printed in this volume trace the continued British attempt to achieve effective standards of non-intervention. At this period the starting point was a British plan, put forward on July 14, 1937, to meet the situation created by the withdrawal of German and Italian vessels from the naval patrol. It was proposed that the naval patrol system should be discontinued and replaced by the establishment of international officers in Spanish ports, the granting of belligerent rights to both parties in the war with identical contraband lists, the withdrawal of foreign nationals, and the appointment of commissions to arrange for and supervise their withdrawal (No. 38). The Non-Intervention Committee had accepted these proposals as a basis of discussion on July 20, but had almost immediately reached a deadlock over an Italian objection to the order of items on the agenda, and Soviet Ambassador M. Maisky's unqualified opposition to any granting of belligerent rights to General Franco. The fact was that neither side was ready to withdraw its volunteers. These time-wasting tactics had been conveniently supplemented by the submarine crisis culminating in the Nyon conference. It was not until October that the committee could again take up the British plan. Italy now withdrew her objections but M. Maisky, acting on instructions, continued to insist that belligerent rights must not be accorded to General Franco until all foreign troops had actually been withdrawn from Spain and it was proved that there had been no new arrivals (No. 276). He was however instructed by his government at the end of

October that when the question of according belligerent rights arose he should not oppose but merely abstain from voting. This enabled the chairman of the committee to approach the two parties in Spain with the object of obtaining their agreement to the detailed programme (see No. 277), although the German and Italian Governments still made their ultimate consent dependent on the unanimous and unreserved acceptance by all the 27 members of the committee. By the end of the year the committee had done no more than secure the consent in principle of the two belligerents to the plan; it had still to negotiate the practical details of its implementation, not forgetting the problem of costs. The story is conveniently summarized in a long footnote to document No. 377.

With the Anglo-Italian reconciliation tending to be drowned in waves of Roman intransigeance, there was some inclination at 10 Downing Street to clutch at any straw from Berlin. One such was an invitation to Lord Halifax from Prince Lowenstein on October 13 to visit an International Hunting Exhibition there. Whether the invitation was politically motivated is not clear, but it is evident that Mr. Chamberlain visualized it at once as the long-awaited opportunity for high-level contact. The circumstances of the invitation and its acceptance are discussed under document No. 246; see especially note 5. There seems no evidence that Mr. Eden opposed the visit at any stage, but Sir R. Vansittart emphatically did so, evidently fearing that Lord Halifax would be talked into one-sided commitments. The invitation was accepted, after expressions of Mr. Chamberlain's renewed irritation at Foreign Office obstructiveness, and on October 22 Mr. Eden told the embassy at Berlin that Lord Halifax's visit would be undesirable unless he could be invited to meet Germans such as General Goering or even Herr Hitler himself (No. 264). The Germans reacted to this message with politeness rather than alacrity, but it was finally arranged that Lord Halifax should visit the Führer in his eagle's nest at Berchtesgaden on November 19; Mr. Eden had meanwhile impressed on Lord Halifax the need to confine himself to warning comment on Austria and Czechoslovakia (No. 273).

The meeting was quite abortive. If we can take as evidence the Führer's declarations, made (quite unknown to Lord Halifax of course) at the 'Hossbach' meeting on November 5, the decision had already been taken to seize living-space in central Europe by war against Czechoslovakia and Austria as soon as conditions were favourable, that is, as soon as he could be sure that Britain and France would not intervene. He spoke of the two powers as 'hate-inspired antagonists' of the new Germany, but had apparently not given up the hope that they might be induced to acquiesce in his plans, although he had no use for the 'general settlement' which they favoured. He thought that Germany might take the offensive in central Europe as early as 1938 if the two powers got themselves into war with Italy. He would in the circumstances not explain, and still more not look for any positive approval by the British Government of his designs, although in his conversation with Lord Halifax he may have hoped to persuade them that it would be dangerous and futile to interfere with the progress of the new Germany. There was nothing in the discussion to suggest either that they did or that they did not agree to this, and although Halifax conceded with regard to Danzig, Austria, and Czechoslovakia that his government 'were not necessarily concerned to stand for the status quo as today' he added that they were 'concerned to avoid such treatment of them as would be likely to cause trouble'. The whole document recording the visit (No. 336), including his talks with other German personalities, is mainly remarkable for the topics that were avoided, among them being any suggestion of a free hand for Germany in central and eastern Europe (the issue involved in the unsolved problem of the 'exceptions'). The visit was evidently not reassuring for the German Government. Sir Nevile Henderson offered the 'considered opinion' on November 22 that 'the next move must come from us' (No. 337) and he continued to speak of 'Hitler's deep and bitter disappointment over the British attitude towards, and misunderstanding of, him' (No. 362).

This was clearly not reassuring, but it was sufficient to keep the prime minister's mind working on the problem of the German psychosis and its possible alleviation by some more or less innocuous colonial gesture. In this he was no innovator: he was returning to the modus vivendi plans which the Foreign Office and Mr. Eden had adumbrated in 1936, and now regarded with increasing scepticism. Mr. Eden told the Cabinet on November 24 that 'if the Cabinet's attitude was, as his was, that Colonial concessions would only be contemplated in return for a general settlement, this was clearly not Germany's view. He did not say that on this account the attempt should not be made, but the difficulties should be realised' (No. 346).

On 29 and 30 November the French prime minister and foreign minister, MM. Chautemps and Delbos, conferred in London with their British colleagues, and heard Lord Halifax's account of his visit to Berchtesgaden; there followed an uneasy survey of the attitude of the two powers towards further German moves over the colonies, Austria, and Czechoslovakia, and a reaffirmation of the agreement that the German colonial claims could not be considered except in relation to a general European settlement. On this point Mr. Chamberlain said explicitly that it was clear that they would 'have to proceed with the conversations with Germany on the basis of an understanding about Central Europe'; he thought they might assume Germany's ultimate object 'was to gain territory—our policy ought to be to make this more difficult, or even to postpone it until it might become unrealisable'. But he added that the British government 'could certainly not go so far as to state what their action would be in the event of an attack'. This was the typical Foreign Office approach, and Mr. Eden showed at this point no desire to delay the discussions with Italy, which the prime minister so desired. In a later part of the conversations Mr. Eden remarked that if 'appeasement could be achieved in the Mediterranean, this would allow Italy to increase her interest in Central Europe. This was one of the chief reasons why His Majesty's Government thought conversations with Italy were worth pursuing'. And at this point Mr. Chamberlain observed that 'in spite of what Lord Halifax had said to Herr Hitler, he would himself like to weaken the Berlin-Rome axis. He could not believe there was any real sympathy between Rome and Berlin' (No. 354).

The Cabinet agreed on December 1 that a start should be made with the proposed conversations with Italy, but that those with Germany would require 'a good deal of exploration' and should not be hurried (No. 358). In fact Mr. Eden's conversations with the German Ambassador on December 1 and the Italian on December 2 both stressed the difficulty of an immediate start to negotiations, in the first case because of the need for a careful study of the colonial situation (No. 360), and in the second because the British regarded the cessation of the intensive anti-British propaganda in the Near and Middle East as an essential preliminary to successful conversations (No. 364). December went by without any modification of Mr. Eden's attitude on this point, although Lord Perth and the Foreign Office officials showed uneasiness at the lack of progress (No. 386; cf. note 5). December was a busy month in other directions; a domestic revolution in the Foreign Office led to Sir R. Vansittart's appointment on January 1, 1938 as Chief Diplomatic Adviser and the promotion of Sir A. Cadogan as Permanent Under Secretary (Nos. 408, 483); in the Far East the progress of Japanese arms raised the possibility of Anglo-American intervention and led to considerable diplomatic exchanges between London and Washington which will be dealt with in a subsequent volume of this series.

But it was the possibility of a rapprochement with Germany and Italy that continued to impress the prime minister. On January 8 1938 a talk with M. Avenol, Secretary General of the League of Nations, on the conditions of an Anglo-German settlement set his mind working on a plan for Central Africa which would include the retrocession of at least a substantial part of Tanganyika; he put proposals on these lines to the Foreign Affairs Committee of the Cabinet on January 24 (No. 465). And whereas the Germans showed no eagerness for a settlement on any terms that the Englishmen found acceptable, in Rome the Duce himself intervened with encouraging messages through Lady Austen Chamberlain and the British Ambassador (Nos. 392, 403, 412), remarking on January 4 to the latter that 'all the present fuss' was 'largely comedy', and asking when they were going to 'stop teasing each other'. Certainly from the second half of December Mr. Chamberlain was increasingly active in pressing for settlements of the outstanding differences with both powers. Just before Christmas he spoke to Mr. Eden of the urgent need for progress in both the German and Italian negotiations, and the departure of the Foreign Secretary for a brief holiday in the south of France in the first half of January enabled him to take charge of the Foreign Office and initiate plans in both fields. The story of these parallel and linked negotiations is dealt with in detail in Chapters V, VI, and VII of the present volume, supplemented by extracts from the Cabinet Papers. There are statements of the points of view of Mr. Chamberlain in his diary account (see Appendix I) and of Mr. Eden in his memoirs (*Facing the Dictators*, Chapters XIII, XIV).

Cutting across these activities however was the (to nearly all the British concerned) disconcerting episode of the American President's plans for a peace initiative parallel to and, he believed, powerfully helping His Majesty's Government's own plans to come to terms with the German and Italian Governments. In Chapter V is printed all the relevant British documentation on President Roosevelt's proposal, first set out in four telegrams of January 12 from Sir R. Lindsay, H.M. Ambassador at Washington (Nos. 421–24). A perusal of these telegrams shows that many of the hitherto published accounts of the President's message contain more or less serious inaccuracies. Mr. Chamberlain's ostensible reasons for suggesting a postponement of the President's new move are given in document No. 430. The strength of his reactions (he 'hates R's idea' (No. 428, note 4)), and his obsessive distrust of the Foreign Office's attempts to circumscribe his initiative, suggest that his reaction may have been as much psychological as political, just as Mr. Eden's horrified protest at any thwarting of the President may have reflected some concern for his own position. Mr. Roosevelt, although 'a little disappointed', agreed to postponement. It was only after prolonged and at times angry exchanges that Mr. Eden secured the prime minister's agreement to withdraw his veto, but by this stage the President was having second thoughts, and after a while abandoned the plan (No. 524). That the genuine concern of the United States Government at the totalitarian programme and its anxiety to help and understand the British counter-initiative continued is, however, clearly illustrated by the completion of the State Department's plans for the exchange of confidential information, which were finalized by Sir R. Lindsay and the Under Secretary of State, Mr. Sumner Welles, on January 25 (No. 470).

The Cabinet and Foreign Office could now proceed with their German and Italian negotiations, against the background of Herr Hitler's increasingly menacing attitude towards Austria. It must again be stressed that the differences between the prime minister and his foreign secretary over both sets of negotiations appear to have been essentially tactical: both had doubts as to whether the dictators could really be induced (by anything that the western powers had to offer) to become pacified, and both accepted the view that confrontation on major issues might be delayed (perhaps indefinitely) by keeping the diplomatic exchanges going in a not too acerbic atmosphere. Both regarded British rearmament as a political weapon which could not be effectively wielded before 1939, but might then become decisive: this was perhaps what Mr. Chamberlain had meant when he told the French on November 29 1937 that if Hitler's territorial ambitions were postponed by Anglo-French political action they might become 'unrealisable'. Mr. Eden, encouraged by some of his Foreign Office advisers such as Sir R. Vansittart, did not intend to become a soft touch: he was evidently more concerned with the need for a hard bargaining style than was Mr. Chamberlain or the rest of the cabinet. But apparently no one in the Foreign Office questioned the main strategy of keeping the dictators in play except perhaps Mr. L. Collier, head of the Northern Department. In a blunt paper of November 10 he denounced the German, Italian, and Japanese Governments as robbers, argued that all attempts to mollify or divide them would entail a sacrifice of British interests, and advocated 'a state of armed truce based upon a balance of power, such as existed from 1870 up to 1914' (No. 311). He perhaps did not expect any result from these exhortations, which echoed earlier proposals, but they interested Mr. Eden for a time.

The starting point of the Foreign Office planning for the Anglo-Italian discussions was a couple of minutes, 'A' and 'B', which were sent by Mr. Eden to Mr. Chamberlain on January 1, 1938 (No. 410). Mr. Eden had disliked 'A', and 'B' had been prepared as an alternative approach. Mr. Chamberlain rejected both, arguing that course 'B', which Mr. Eden preferred, would have involved the grant of *de jure* recognition as a generous gesture without conditions directly attached to it. Mr. Chamberlain commented realistically that 'in the present suspicious mood which seems to prevail in Mussolini's mind, I should be afraid that he would regard our action as dictated by fear and that he would not abate one jot of his demands or give one tittle of what we wanted' (No. 415). Replying from Grasse on January 9 Mr. Eden agreed that anything which gave Mussolini the appearance of a diplomatic triumph would be 'most unfortunate' and he remarked that the difference between the Italian and German positions was that an agreement with the latter might have a chance of a reasonable life, 'whereas Mussolini is, I fear, the complete gangster and his pledged word means nothing'. He assumed that the prime minister preferred scheme 'A', but in fact, as Chamberlain explained on January 13, his view was that they should not proceed upon the basis of bargaining but that each party should make whatever contribution was necessary 'towards an objective that we both desire to obtain' (No. 433). The correspondence up to this point does not reveal any basic difference between the two as to the need for an adequate *quid pro quo* from Italy for *de jure* recognition, and in conversation with MM. Chautemps and Delbos at the Quai d'Orsay on January 25 Mr. Eden secured their entire approval of discussions on this basis (No. 473). Three days later however at Geneva he found M. Delbos in more critical mood; the German and Italian Ambassadors were becoming more obstructive in the Non-Intervention Committee, and he suspected that the Italians were contemplating the further despatch of troops to Spain. Lord Perth on February 4 saw 'very grave difficulty' in securing Italian consent to include the Spanish problem in the negotiations (No. 490). On the same day Mr. Eden reminded Count Ciano of his promise to the House of Commons on December 20 that negotiations would not be opened until the position in relation to propaganda had improved (No. 493).

Meanwhile the premier had gone ahead with his German programme, the essence of which was that in a wide area of Central Africa the Powers concerned should be subject to certain limitations in regard to the territories to be administered by them, and that Germany should be brought in to the arrangement by being given some territories there to administer. Following the presentation of this plan to the Cabinet Foreign Affairs Committee on January 24, Mr. Chamberlain asked Sir N. Henderson to come to London for a further session of the Committee on February 3. We print the full minutes of these two very lengthy meetings (Nos. 465, 488). The detailed plan, as far as he had elaborated it, was expounded in Mr. Chamberlain's opening remarks to the Committee on January 24. Mr. Eden at once insisted that no settlement of the colonial question could be arrived at 'except as part and parcel of a general arrangement covering our desiderata', and Mr. Chamberlain agreed; but throughout the discussions others showed anxiety on this point, and also on the practical difficulties of the plan as it concerned Africa and other powers, such as France, Portugal, and Belgium, who would have to contribute. In the end the search for an adequate *quid pro quo* was certainly not abandoned, but Sir N. Henderson's instructions called for only very delicate soundings. He could refer to plans for a new regime of colonial administration in a given area of Africa, without going into specific details concerning the transfer of particular territories. He was to stress the importance that would be attached 'to German collaboration in appeasement'. 'Mention, but only mention, should be made of Czechoslovakia and Austria as illustrative of the general principle of collaboration.' The limitation of armaments presented difficulties if treated as a general question, but 'they had taken note of the German Chancellor's references to bombing'. His instructions on these lines were dated February 12 (No. 512). His presentation of them to Herr Hitler was postponed until March 3 owing to the Führer's preoccupation with the political crisis in Germany which followed the peaceful purge of German high officers on February 4, von Ribbentrop's appointment as Foreign Minister, and the Hitler-Schuschnigg meeting on February 12.

Otherwise the main drama in February was Mr. Chamberlain's successful launching of the Anglo-Italian negotiations, at the cost of Mr. Eden's resignation on February 20. Mr. Chamberlain's unwillingness to work with President Roosevelt was paralleled by Mr. Eden's unwillingness to do business with Signor Mussolini. The course of the triangular discussions between Mr. Eden, Mr. Chamberlain, and Count Grandi is fully described in the documents printed in Chapter VI, but the official papers of necessity throw less light on the personal factors of exasperation and stubbornness which may have influenced both men. The diaries and memoirs of Cadogan, Harvey, and others offer some clues without indicating how far the final breach was the culmination of earlier strains. The Italian attitude had appeared unsatisfactory as late as the beginning of the month, and Mr. Eden was apparently not much impressed by a further message of February 5 in which Lady Chamberlain reported Signor Mussolini as saying that he was anxious to come to a complete Anglo-Italian agreement as a tribute to the memory of Sir Austen (No. 495). But the movement of German policy evidently alarmed Mussolini sufficiently to lead to urgent instructions being sent to Grandi to get the Anglo-Italian negotiations started before the beginning of the final stage of Hitler's offensive against Austria. Although Count Ciano had given Lord Perth a broad hint on February 16 as to the Italian anxiety to start the negotiations (No. 538, and note 2) there was no reason why Mr. Eden or Mr. Chamberlain should have been conscious of any particular increase in cooperativeness on Grandi's part; but the prime minister was willing in any case to go ahead and he received the almost unanimous endorsement of the Cabinet at the vital meeting on February 19.

The documents here printed relevant to Mr. Eden's resignation include the brief account in the Cabinet Conclusions No. 6 of February 19 (No. 561), but also a much longer and more explicit account which was preserved in the Cabinet Office archives and is included in this volume as Appendix II. There is a further extract from the Cabinet Conclusions of February 20 dealing with the last stages of the Cabinet negotiations (No. 568), and finally the despatch No. 236 of February 21, addressed to Lord Perth in the name of Lord Halifax, of which the first eleven paragraphs give Mr. Eden's account of the crisis (No. 573: see note 1). The fullest statement of Mr. Eden's case against negotiation with Italy at this stage is that contained in his remarks to the Cabinet on February 19, following Mr. Chamberlain's opening statement, and may be summed up in his comments: 'From every point of view, it was a bad moment for the conversations. Europe would treat it as though we were running after Rome . . . If Signor Mussolini was so desperately anxious to change camps, it would be easy for him to give proofs of good faith and good will. He had shown none.' Lord Cranborne, the Parliamentary Under Secretary for Foreign Affairs, also resigned. Lord Halifax was asked to take temporary charge of the Foreign Office; his appointment as Secretary of State dated from March 1. Mr. R. A. Butler became Parliamentary Under Secretary. Plans for the Anglo-Italian conversations in Rome could now go ahead; they finally commenced on March 8.

Meanwhile Sir N. Henderson was ready to present the prime minister's programme to the German Government as soon as the German domestic crisis allowed. Mr. Eden, who continued to believe that an agreement with Germany would 'have a chance of reasonable life', did not in this case oppose negotiations, and his main concern was to ensure that the British counter-demands were clearly formulated and accepted. These proposed conditions were set out in a paper (No. 504) circulated to the Cabinet on February 10, which described a satisfactory arrangement by Germany as to Central and Eastern Europe as essential, 'inasmuch as it constitutes the only clear and concrete German contribution in the matter of ex-German colonies'. The forthcoming meeting was to be the first and only occasion on which the Chamberlain conception of a directly negotiated Anglo-German agreement to ensure 'the appeasement of Europe' had a moment of reality; earlier attempts (as in the western pact negotiations) had died through German unresponsiveness engendered by a corresponding British unresponsiveness to German plans for a free hand in the east. This was the one concession that Hitler desired from Britain, and it was once more excluded from the British programme. The meeting finally took place in Berlin on March 3. Sir N. Henderson's report is given at length and somewhat discursively in his despatch No. 225 (No. 615). This account and that of the German interpreter, Herr Schmidt, show that Herr Hitler understood the British proposals, but in the Ambassador's view he declared himself 'willing to put the colonies in cold storage for a term of years' lest as part of a colonial settlement 'we should ask him to tie his hands in Central Europe'. He was in 'one of his bad moods'; his 'sense of values is so abnormal that argument seems powerless'. But was the bad mood so surprising? At this decisive moment when he was poised to launch the first phase of German *Blitzkrieg* imperialism in Eastern Europe, he found the British were once more seeking to deny him his 'free hand in the East'. The presence of Herr von Ribbentrop, newly appointed German foreign minister, did not make the conversation any easier. The meeting achieved none of the British objectives and a few days later the Austrian crisis led to the suspension of further British efforts towards a settlement.

Thus the fitful diplomatic initiative in Europe which Mr. Chamberlain had followed since May 1937 came to an end with the interview of March 3; Herr Hitler took the lead until March 31 1939, after which the British guarantee to Poland determined the course of events down to the outbreak of war in September. These developments are the subject of the Third Series of this Collection. The Anglo-Italian negotiations which followed Mr. Chamberlain's successful intervention in February are dealt with in Chapter VII of the present volume. The essential difference between the Italian and German negotiations was that Mussolini wanted an agreement, and Hitler did not, on the terms offered. Mussolini wanted to liquidate the recent past in order to regain power of manoeuvre, not because (as far as we can see) he had far-reaching plans of aggression or expansion. The two governments were ready by the beginning of March to start the negotiations, and it was agreed that they should be conducted by Count Ciano and Lord Perth at Rome. After a visit to London Lord Perth was sent instructions dated March 4 (No. 620). His conversations with Count Ciano began on March 8 and were completed with the signature of the agreement on April 16. The negotiations were conveniently summarized in a long memorandum by Mr. P. J. Dixon, Second Secretary at the Rome Embassy (No. 662). Given the desire of both governments for the cessation of public bickering the agreement was comparatively easy to reach with certain vital reservations, of which the essential one on the British side was that the recognition by the British Government of Italian sovereignty in Ethiopia should be conditional on a settlement of the Spanish question. Difficulty remained over the definition of what should constitute such a settlement, and Signor Mussolini showed increasing annoyance during the summer of 1938 at the consequent delay in the implementation of the agreement (see Nos. 663, 664, 665, 666). The final negotiations for bringing the agreement into force took place only in October and November 1938, and are dealt with in Chapter VI, Volume III, of the Third Series.

The conditions under which the Editors accepted the task of producing this Collection, namely access to all papers in the Foreign Office archives and freedom in the selection and arrangement of documents, continue to be fulfilled. Use has been made of the private papers of Sir Robert Vansittart, Lord Halifax, Sir Eric Phipps, and Group Captain Christie by kind permission of Churchill College, Cambridge, and of those of Mr. Neville Chamberlain with the kind permission of the University of Birmingham. We are indebted to Mr. J. Cheatle for much help in using the Cabinet Office documentation, and we continue to rely on the services provided by the Public Record Office. I have to thank Miss E. Blayney, the Head of the Library and Records Department of the Foreign and Commonwealth Office, and her staff for all the necessary facilities. Mrs. Gillian Bennett, M.A., the Assistant Editor, has been active in every stage of the preparation of the volume and has travelled extensively to collect material for it.

December 1980 W. N. MEDLICOTT

CONTENTS

PAGES

CHAPTER I. British proposals for reconstruction of Spanish supervision scheme: plans for Anglo-Italian conversations: rumours of aggressive German intentions in Europe. July 1–August 25, 1937 1–189

CHAPTER II. Nyon Conference and Nuremberg Rally. August 26–September 30, 1937 . 190–358

CHAPTER III. N.I.C. negotiations for withdrawal of volunteers from Spain: preparations for Lord Halifax's visit to Germany: German declaration on Belgian neutrality. October 1–30, 1937 359–455

CHAPTER IV. Lord Halifax's visit to Germany: Anglo-French conversations in London. November 1–30, 1937 456–623

CHAPTER V. Reactions to Mr. Chamberlain's plans for agreement with Italy and Germany: President Roosevelt's peace initiative. December 1, 1937–January 29, 1938 624–830

CHAPTER VI. Preparations for negotiations with Germany and Italy: Dr. Schuschnigg's visit to Berchtesgaden: Mr. Eden's resignation: Sir N. Henderson presents British proposals to Herr Hitler. February 1–March 8, 1938 . .831–1000

CHAPTER VII. Documents relating to the conclusion of the Anglo-Italian Agreement of April 16, 1938. March 4–August 4, 1938 . .1001–1137

APPENDIX I. Extracts from Mr. Neville Chamberlain's Diary. February 19, 1938 . . .1138–1144

APPENDIX II. Cabinet Conclusions No. 6(38) on relations with Italy. February 19, 1938 .1145–1160

LIST OF ABBREVIATIONS

B.F.S.P.	*British and Foreign State Papers* (London).
Cmd.	Command Paper (London).
D.A.P.E.	*Dez Anos de Política Externa (1936–1947)* (Lisbon).
D.D.B.	*Documents Diplomatiques Belges 1920–1940* (Brussels).
D.D.F.	*Documents Diplomatiques Français 1932–1939* (Paris).
D.G.F.P.	*Documents on German Foreign Policy 1918–1945* (London).
D.V.P.S.	*Dokumenty Vneshney Politiki SSSR* (Moscow).
F.R.U.S.	*Papers relating to the Foreign Relations of the United States* (Washington).
H.C. Deb. 5 *s.*	*Parliamentary Debates (Hansard), Official Report, 5th Series,* House of Commons (London).
H.L. Deb. 5 *s.*	*Parliamentary Debates (Hansard), Official Report,* House of Lords (London).
L.N.O.J.	*League of Nations Official Journal* (Geneva).
N.I.C.	Non-Intervention Committee.

An asterisk following the file number of a document indicates that the text has been taken from Confidential Print.

CHAPTER SUMMARIES

CHAPTER I

British proposals for reconstruction of Spanish supervision scheme: plans for Anglo-Italian conversations: rumours of aggressive German intentions in Europe

July 1–August 25, 1937

NO. AND NAME	DATE	MAIN SUBJECT	PAGE
	1937		
1 Sir E. Drummond Rome Tel. No. 365	July 1	Records conversation with Count Ciano: neither Italian nor German Govt. can accept Anglo-French proposals for naval control of Spanish coasts.	1
2 Sir E. Phipps Paris Tel. No. 124	July 1	Reports M. Léger pessimistic over Spanish situation: French opinion is hardening.	3
3 Sir N. Henderson Berlin Tel. No. 160	July 1	German Govt. will not return to naval control or agree to Anglo-French control: they propose recognition of Spanish parties as belligerents.	4
4 Sir N. Henderson Berlin Tel. No. 161	July 1	Refers to No. 3: Baron von Neurath urges that German proposals be used as basis for discussion.	5
5 Sir E. Drummond Rome Tel. No. 368	July 1	Reports French Chargé has instructions to insist on Italian acceptance of Anglo-French naval control proposals pending a more satisfactory solution.	6
6 Sir E. Phipps Paris Tel. No. 125	July 1	M. Delbos proposes Anglo-French control plans should proceed in the event of German and Italian rejection: belligerent rights will not be granted.	6
7 Cabinet Committee on Foreign Policy	July 1	Conclusions of 16th meeting regarding plans to fill gap in Spanish Naval Control Scheme.	7
8 Mr. Dodd Berlin	July 1	Letter to Sir E. Phipps, referring to Sir N. Henderson's views on German expansion and advocating democratic initiative on economic cooperation.	14
9 Sir E. Drummond Rome	July 1	Letter to Sir O. Sargent reporting information on Italian reactions to postponement of Baron von Neurath's visit to London.	16
10 Sir N. Henderson Berlin	July 1	Letter to Mr. Eden reporting Herr Hitler's restiveness regarding Anglo-German Naval Agreement.	17
11 Major Napier War Office	July 2	Letter to Mr. Howard confirming Russian arms shipments to Spain. *Note 4.* Source of information is secret: no statement will be made.	18

	NO. AND NAME	DATE	MAIN SUBJECT	PAGE
12	To Sir E. Drummond Rome Tel. No. 226	July 3	Instructs him to speak to Count Ciano regarding press article alleging British breaches of N.I. agreement.	19
13	Sir E. Drummond Rome Tel. No. 374	July 4	Refers to No. 12: suggests modification of instructions to avoid rupture of diplomatic relations.	20
14	Sir E. Drummond Rome Tel. No. 375	July 4	Refers to No. 13: suggests British initiative if alteration in diplomatic relations is deemed expedient.	21
15	C.I.D. 296th meeting	July 5	Extract from minutes concerning paper on war with Italy; she can no longer be considered a friend, but aggression from Germany has first priority.	22
16	Sir N. Henderson Berlin No. 624	July 5	Gives his views on the aims of German foreign policy.	31
17	To Sir N. Henderson Berlin Tel. No. 126	July 6	Instructs him to ask Baron von Neurath if German Govt. have any new suggestions regarding naval control and withdrawal of volunteers from Spain: H.M.G. have no further proposals to make.	33
18	To Sir E. Phipps Paris No. 1354	July 6	Records conversation with M. Corbin: French Govt. do not view suggestion of discussing belligerent rights with sympathy.	34
19	To Sir E. Drummond Rome No. 688	July 6	Records conversation with Count Grandi on Bari broadcasts: hopes they will not cause embarrassment over Palestine Report.	36
20	Sir F. Leith-Ross Treasury	July 6	Record of conversations with Dr. Schacht and German bankers.	37
21	Mr. Strang Foreign Office	July 6	Record of conversation with Mr. Gainer who feared Germany was preparing some new adventure in foreign policy.	41
22	Sir N. Henderson Berlin Tel. No. 171	July 7	Reports interview with Baron von Neurath who felt no advance could be made in Spanish situation until parties agree to withdrawal of volunteers.	42
23	Sir N. Henderson Berlin Tel. No. 437 Saving	July 7	Reports press comment on M. van Zeeland's mission of enquiry in the U.S.	43
24	Cabinet Conclusions	July 8	Extract concerning Anglo-Italian relations: Cabinet agreed best counter to Italian attitude is to cultivate better relations with Germany.	44
25	To Mr. N. Davis Washington	July 8	Letter from Mr. Chamberlain explaining the difficulties of a visit to President Roosevelt that year.	45
26	To Sir N. Henderson Berlin	July 8	Letter commenting on reports of possible foreign adventure by Germany, and asking his opinion on German intentions.	47
27	Sir N. Henderson Berlin No. 644	July 8	Gives his views on M. François-Poncet's appreciation of German foreign policy (see Vol. XVIII, No. 670).	48
28	To Sir C. Wingfield Lisbon No. 257	July 9	Records conversation with Dr. Monteiro on July 6 concerning General Franco's attitude towards volunteers in Spain.	50

	NO. AND NAME	DATE	MAIN SUBJECT	PAGE
29	To Sir C. Wingfield Lisbon No. 258	July 9	Records conversation with Dr. Monteiro: General Franco gave, then cancelled, authorization to say he would agree to withdrawal of foreign volunteers from Spain.	51
30	Sir E. Phipps Paris Tel. No. 134	July 10	Reports official announcement that French Govt. will suspend International Control on Spanish frontier unless agreement is given to French control proposals.	52
31	Sir N. Henderson Berlin Tel. No. 182	July 12	Reports Herr Hitler resents lack of appreciation of his offer to recognize Valencia Govt.	52
32	Sir R. Vansittart Foreign Office	July 12	Minute for Mr. Eden commenting on Sir E. Drummond's letter (see No. 24, note 2): considers C.I.D.'s views of Italian intentions shortsighted.	53
33	Sir N. Henderson Berlin	July 12	Letter to Sir A. Cadogan in reply to No. 26: does not believe Germany is planning any *putsch* in central Europe.	55
34	Sir W. Selby Vienna Tel. No. 65 Saving	July 13	Refers to No. 26: reports increasing unease in Austria as to Germany's intentions.	57
35	To Sir C. Wingfield Lisbon No. 264	July 13	Records conversation with Portuguese Ambassador: General Franco is still willing for volunteers to be withdrawn from Spain on certain conditions.	57
36	To Sir E. Drummond Rome No. 707	July 13	Records interview with Count Grandi: Signor Mussolini sends message that he has taken action over the Bari broadcasts.	58
37	Sir E. Phipps Paris No. 875	July 13	Refers to Vol. XVIII, No. 670: gives views on probable French reaction to German aggression against Austria or Czechoslovakia.	59
38	To Sir C. Wingfield Lisbon Tel. No. 120	July 14	Gives text of report by H.M.G. to N.I. Committee proposing reconstruction of Spanish supervision scheme. *Note 1.* Also sent to Berlin and Rome.	60
39	Cabinet Conclusions	July 14	Extract concerning British proposals on Non-Intervention (see No. 38).	63
40	Cabinet Conclusions	July 14	Extract concerning relations with Italy.	65
41	To Sir N. Henderson Berlin No. 905	July 15	Refers to Vol. XVIII, No. 593, and instructs him to seek another interview with General Goering to explain H.M.G.'s attitude.	67
42	Mr. Newton Prague	July 15	Letter to Sir A. Cadogan in reply to No. 26: does not consider Czechoslovakia to be in immediate danger from Germany.	72
43	To Sir N. Henderson Berlin	July 15	Letter from Sir O. Sargent concerning Germany's legitimate and natural aspirations.	75
44	To Sir E. Drummond Rome Tel. No. 241	July 16	Asks him if he sees any objection to drawing parallel between Mediterranean and Red Seas in forthcoming House of Commons speech.	75
45	Sir O. Sargent Foreign Office	July 17	Minute discussing possibility of a personal letter being addressed to Signor Mussolini on Anglo-Italian relations.	76

NO. AND NAME	DATE	MAIN SUBJECT	PAGE
46 To Sir G. Ogilvie-Forbes Berlin	July 17	Letter from Mr. Strang enclosing H.M.G.'s memo. of July 16 regarding agenda of 5 Power conference. *Annex.*: Principles on which proposed Western Treaty should be based.	79
47 Count Raczynski Polish Embassy London	July 17	Letter to Sir R. Vansittart expressing Polish desire for participation in any Western Pact.	83
48 Sir E. Drummond Rome Tel. No. 401	July 18	Reply to No. 44: agrees speech on Mediterranean and Red Sea is likely to have a good effect; suggests additional points.	85
49 Sir M. Lampson Cairo Tel. No. 410	July 20	Refers to Vol. XVIII, No. 529; is still very apprehensive as to Italian intentions in Mediterranean and Africa.	86
50 N.I. Committee Chairman's Sub-Committee	July 20	Conclusions of 58th meeting on British plan for Spanish supervision (No. 38): item 1, naval control.	88
51 N.I. Committee Chairman's Sub-Committee	July 20	Conclusions of 59th meeting on British supervision plan: item 2, withdrawal of volunteers.	90
52 Sir N. Henderson Berlin No. 678	July 20	Refers to No. 41: has spoken to General Goering as instructed. *Encl.*: Note left with General Goering asking for a definition of German policy.	93
53 Sir N. Henderson Berlin	July 20	Letter to Sir O. Sargent enclosing memo. of May 10 giving his views on British policy towards Germany.	97
54 Sir E. Drummond Rome Tel. No. 407	July 21	Reports conversation with Count Ciano, who was optimistic about Anglo-Italian relations.	106
55 Cabinet Conclusions	July 21	Extract concerning deadlock reached in N.I. Chairman's Sub-Committee over British proposals for Spanish supervision.	106
56 To Sir E. Drummond Rome No. 741	July 21	Records conversation with Count Grandi who delivered message from Signor Mussolini: Italian Govt. had no political ambitions in Spain, and Duce hoped for closer relations with H.M.G.	107
57 To Sir E. Drummond Rome Tel. No. 250	July 22	Records conversation with Count Grandi who would not agree to early discussion of withdrawal of volunteers in N.I. Committee.	108
58 Mr. Hore-Belisha War Office	July 22	Reports message from Signor Mussolini who would like to meet him personally: Italy fears British Mediterranean defences are directed against her.	109
59 D.P.P. Committee	July 23	Extract from minutes of 4th meeting regarding Mediterranean defence and relations with Italy.	110
60 Sir G. Ogilvie-Forbes Berlin	July 24	Letter to Mr. Strang on possibility of Sir N. Henderson attending Nuremberg *Parteitag*.	113
61 To H.M. Representatives All Posts	July 26	Circular despatch giving information to show the progress of the British rearmament programme.	114

NO. AND NAME		DATE	MAIN SUBJECT	PAGE
62	Sir E. Drummond Rome Tel. No. 416	July 27	Reports that two speeches by Mr. Duff Cooper on British shipping in Spain and Anglo-Italian relations have met with approval.	116
63	Sir G. Ogilvie-Forbes Berlin Tel. No. 498 Saving	July 27	Reports press comment on 60th meeting of N.I. Chairman's Sub-Committee on July 26 on British supervision proposals. *Note 1.* Conclusions of meeting.	117
64	Mr. Chamberlain 10 Downing St.	July 27	Record of conversation with Count Grandi who delivered a message from Signor Mussolini (see No. 56).	118
65	To Signor Mussolini	July 27	Letter from Mr. Chamberlain welcoming Signor Mussolini's friendly message and agreeing to conversations on Anglo-Italian relations.	119
66	To Viscount Chilston Moscow No. 356	July 27	Records conversation with M. Maisky who was convinced Italy and Germany would never agree to withdrawal of volunteers from Spain.	120
67	Sir E. Phipps Paris Tel. No. 451 Saving	July 28	Reports complaint by M. Delbos that Italians are making capital out of Mr. Chamberlain's interview with Count Grandi.	121
68	C.O.S. Sub-Committee of the C.I.D. C.I.D. 1346B	July 28	Memo. on the situation in the Mediterranean and Middle East.	122
69	Cabinet Conclusions	July 28	Extract concerning developments in N.I. Committee: H.M.G.'s proposals must stand or fall as a whole.	124
70	Mr. Roosevelt Washington	July 28	Letter to Mr. Chamberlain in reply to No. 25: realises any possible visit by P.M. to the U.S. must be carefully prepared.	126
71	Mr. Aveling Warsaw	July 28	Letter to Mr. Strang reporting conversation with French Ambassador on Polish attitude to Western Pact.	126
72	Sir G. Ogilvie-Forbes Berlin Tel. No. 190	July 29	Reports press leak concerning H.M.G.'s Western Pact memo. (No. 46, Encl.) *Note 3.* Decision taken to acknowledge delivery of memo.	127
73	Mr. Ingram Rome Tel. No. 425	July 29	Reports press comment on Mr. Chamberlain's interview with Count Grandi (No. 64).	128
74	C.I.D. 298th meeting	July 29	Extract from minutes regarding situation in Mediterranean and Middle East: consideration of No. 68.	129
75	M. Maisky Soviet Embassy London	July 29	Letter to Lord Plymouth commenting on British supervision proposals: general agreement but cannot accept grant of belligerent rights to General Franco.	134
76	To Sir E. Drummond Rome No. 784	July 29	Records conversation with Count Grandi concerning Italian reply to British proposals on Spain.	137
77	To Sir E. Drummond Rome No. 786	July 29	Records conversation with Count Grandi regarding latter's interview with Mr. Chamberlain.	138

	NO. AND NAME	DATE	MAIN SUBJECT	PAGE
78	To Mr. Cordell Hull Washington	July 30	Letter from Mr. Chamberlain in reply to Vol. XVIII, No. 560: agrees with U.S. aims of political and economic cooperation.	140
79	Sir G. Ogilvie-Forbes Berlin Tel. No. 508 Saving	Aug. 2	Comments on German attitude towards N.I. negotiations; Soviet refusal to accord belligerent rights strongly resented.	140
80	Mr. Chamberlain 10 Downing St.	Aug. 2	Record of conversation with Count Grandi who delivered letter from Signor Mussolini and discussed Anglo-Italian relations generally.	142
81	Count Grandi Italian Embassy London	Aug. 2	Letter to Mr. Chamberlain enclosing letter from Signor Mussolini of July 31 welcoming idea of conversations on Anglo-Italian relations.	143
82	Sir E. Drummond Rome Tel. No. 428	Aug. 3	Reports conversation with Count Ciano on Aug. 2 regarding proposed Anglo-Italian talks.	145
83	To Mr. Lloyd Thomas Paris No. 1535	Aug. 3	Records conversation with M. Corbin concerning Mr. Chamberlain's interviews with Count Grandi.	148
84	To Mr. Lloyd Thomas Paris No. 1536	Aug. 3	Records conversation with M. Corbin concerning N.I. Committee: M. Corbin suggests more technical discussions.	149
85	To Sir G. Ogilvie-Forbes Berlin Tel. No. 148	Aug. 4	Refers to Nazi journalist to be expelled from U.K.: instructs him to refuse to discuss the question and deny all knowledge.	150
86	Viscount Chilston Moscow Tel. No. 126	Aug. 5	Reports M. Litvinov apparently unyielding over British non-intervention proposals: refuses discussion of belligerent rights. *Note 4.* Summary of 62nd Chairman's Sub-Committee meeting.	151
87	Sir E. Drummond Rome Tel. No. 431	Aug. 5	Considers Anglo-Italian conversations doomed to failure unless H.M.G. are prepared to recognize Italian sovereignty in Ethiopia *de jure*.	152
88	Sir G. Ogilvie-Forbes Berlin Tel. No. 199	Aug. 7	Reports German Govt. are upset by von Langen's expulsion (see No. 85) and are expelling *Times* Berlin correspondent in return.	152
89	Sir R. Vansittart Foreign Office	Aug. 9	Record of conversation with Herr Woermann regarding expulsion of German journalists from England.	153
90	Foreign Office	Aug. 10	Record of meeting to consider questions arising in connection with proposed Anglo-Italian conversations.	155
91	C.O.S. Sub-Committee of the C.I.D. C.I.D. 1347B	Aug. 12	Report on Anglo-Italian relations. *Annex*: Letter of Aug. 5 from F.O. asking C.O.S.'s opinions on latest developments.	166
92	Sir R. Vansittart Foreign Office	Aug. 16	Record of conversation with Professor Conwell-Evans who reported Herr von Ribbentrop as pessimistic regarding agreement with England.	173
93	Mr. Ingram Rome No. 712E	Aug. 16	Survey of Italian economic situation and its effects on foreign policy.	175

	NO. AND NAME	DATE	MAIN SUBJECT	PAGE
94	Meeting of Ministers Foreign Office	Aug. 17	Extract from notes of meeting to consider measures to protect British shipping against Italian submarine attacks.	180
95	Mr. Syers 10 Downing St.	Aug. 17	Letter to Mr. Hoyer Millar reporting Mr. Chamberlain's comment concerning expulsion of German journalists from England.	183
96	C. in C. Mediterranean Tel. No. 666	Aug. 18	Message to Mediterranean Station giving instructions for counter measures by H.M. Ships against submarine attacks.	184
97	Sir G. Ogilvie-Forbes Berlin Tel. No. 208	Aug. 19	Reports Mr. Ebutt has received notice to quit Germany by midnight on Aug. 22: see Nos. 88 and 89.	185
98	Rear Admiral Gibraltar Tel. No. 713	Aug. 20	Message for Admiralty reporting statements by German Admirals approving strong British action against indiscriminate attacks on shipping.	185
99	To Mr. Ingram Rome Tel. No. 273	Aug. 20	Records interview of Aug. 12 at which Sir R. Vansittart warned Italian Chargé of dangers of Italian attacks on British shipping: instructs him to speak to Count Ciano in similar vein.	186
100	Mr. Ingram Rome No. 731	Aug. 23	Refers to No. 99 and reports interview with Count Ciano regarding attacks on shipping in Mediterranean.	186
101	Sir N. Henderson Berlin Tel. No. 211	Aug. 24	For Sir R. Vansittart, outlining arrangements for attending Nuremberg Rally.	188
102	To Mr. Ingram Rome Tel. No. 274	Aug. 25	Refers to No. 99 and instructs him to bring other shipping incidents in Mediterranean to Count Ciano's notice.	188

CHAPTER II

Nyon Conference and Nuremberg Rally
August 26–September 30, 1937

	NO. AND NAME	DATE	MAIN SUBJECT	PAGE
103	To Mr. Lloyd Thomas Paris No. 1674	Aug. 26	Records conversation with M. Cambon regarding Spain, Anglo-Italian relations, and Abyssinia: M. Cambon suggested pre-Geneva conversations on Mediterranean situation.	190
104	Mr. Ingram Rome Tel. No. 460	Aug. 27	Reports conversation with Count Ciano as instructed in No. 102: Anglo-Italian relations must not be upset.	192
105	Polish Embassy London	Aug. 27	Aide-mémoire giving Polish views on negotiations for a new Western Pact.	193
106	To The Earl of Perth Dumfries	Aug. 27	Letter from Sir O. Sargent: H.M.G. do not intend to raise Abyssinian question before League meeting; Mr. Ingram has told Count Ciano Earl of Perth will not return to Rome immediately. *Note 1.* Sir E. Drummond becomes 16th Earl of Perth.	195

NO. AND NAME		DATE	MAIN SUBJECT	PAGE
107	Sir N. Henderson Berlin No. 783	Aug. 29	Records conversation with Dr. Schacht, who would like to be invited to England; Herr Hitler still resentful of British attitudes.	196
108	To Mr. Lloyd Thomas Paris No. 1681	Aug. 30	Records interview with M. Cambon who discussed French note on policy towards Abyssinia and Spanish situation.	198
109	The Earl of Perth	Aug. 30	Letter to Sir O. Sargent agreeing to postpone return to Rome and reporting P.M.'s views on projected Anglo-Italian talks.	202
110	Mr. Eden Foreign Office	Sept. 1	Comments on French note of Aug. 30 (No. 108, note 3).	203
111	Mr. Eden Foreign Office	Sept. 1	Record of conversation with Mr. Chamberlain on recent developments in international situation.	205
112	Sir N. Henderson Berlin No. 793	Sept. 1	Encloses memo. by Col. Hotblack on Germany's military preparedness.	206
113	Mr. Ingram Rome Tel. No. 471	Sept. 2	Reports information that Italian Govt. are nervous regarding proposed Anglo-Italian talks: suggests gesture towards *de jure* recognition would restore confidence.	209
114	Foreign Office	Sept. 2	Extracts from notes of Ministers' meeting concerning attacks on British shipping, French note of Aug. 30, and relations with Salamanca Govt.	211
115	Mr. Eden Foreign Office	Sept. 2	Memo. on present phase in Anglo-Italian relations and recognition of Italian sovereignty in Abyssinia.	219
116	To Mr. Lloyd Thomas Paris No. 1701	Sept. 2	Records interview with M. Cambon: H.M.G. are willing to participate in talks at Geneva as proposed in French note of Aug. 30.	228
117	To Sir G. Knox Budapest	Sept. 2	Letter from Sir O. Sargent warning him of complaints of British obstruction to German influence in S.E. Europe.	229
118	Dr. Jäckh	Sept. 2	Notes of a conversation with Dr. Woermann on German views of British policy, the League, Spain, and Italy.	230
119	To Sir G. Ogilvie-Forbes Berlin No. 1104	Sept. 3	Records coversation with Dr. Woermann concerning proposed meeting of Mediterranean Powers.	231
120	To Mr. Lloyd Thomas Paris No. 1711	Sept. 3	Records conversation with M. Cambon regarding countries to be invited to Mediterranean Powers' meeting. *Note 1.* Both Russia and Italy to be invited.	232
121	Mr. Lloyd Thomas Paris Tel. No. 161	Sept. 4	Reports satisfaction at H.M.G.'s attitude concerning Mediterranean as demonstration of Anglo-French co-operation.	233
122	Mr. Ingram Rome Tel. No. 474	Sept. 4	Reports Italian attitude towards proposed Mediterranean Powers' meeting as 'very reserved'.	234

	NO. AND NAME	DATE	MAIN SUBJECT	PAGE
123	To Mr. Ingram Rome Tel. No. 279	Sept. 5	Instructs him to invite Italian Govt. to participate in Mediterranean conference. *Note 1.* Invitation also sent to other Mediterranean and Black Sea Powers.	234
124	Mr. Ingram Rome Tel. No. 479	Sept. 6	Reports conversation with Count Ciano: Anglo-Italian conversations would be pointless without prior agreement on *de jure* recognition.	235
125	Mr. Ingram Rome Tel. No. 480	Sept. 6	Suggests H.M.G. tell Count Ciano informally if they are prepared to take steps toward a *de jure* recognition of Italian sovereignty over Abyssinia.	236
126	Mr. Ingram Rome Tel. No. 482	Sept. 7	Reports delivery of invitation as instructed in No. 123: Count Ciano says acceptance has been prevented by Russian actions.	237
127	Mr. Ingram Rome Tel. No. 483	Sept. 7	Gives resumé of note from Soviet Govt. accusing Italian ships of torpedoing Soviet vessels.	238
128	Mr. Ingram Rome Tel. No. 485	Sept. 7	Refers to No. 127: Italy's reply to invitation now almost certainly a refusal.	239
129	Mr. Ingram Rome Tel. No. 486	Sept. 7	Reports he suggested to Count Ciano that N.I. machinery could be used to avoid difficulties regarding Italian attendance at Mediterranean Conference: asks for instructions.	239
130	To Mr. Ingram Rome Tel. No. 281	Sept. 7	Refers to Nos. 126 and 128: instructs him to urge Italian Government to accept invitation to Nyon Conference despite Soviet note.	240
131	Sir H. Kennard Warsaw Tel. No. 36	Sept. 7	Reports conversation with M. Beck regarding Polish memo. on Western Pact (No. 105).	241
132	To Mr. Ingram Rome Tel. No. 282	Sept. 7	Refers to Nos. 124 and 125: *de jure* recognition is to be discussed by Cabinet but it is unlikely any information can be given to Count Ciano before League Assembly meeting.	242
133	To Mr. Ingram Rome Tel. No. 283	Sept. 7	Refers to No. 129: H.M.G. do not want N.I. Committee to deal with Mediterranean piracy, but do consider Italian attendance at Nyon Conference important.	242
134	Mr. Eden Foreign Office	Sept. 7	Memo. on situation in Mediterranean and possible measures to be decided on at Nyon Conference.	243
135	To Mr. Lloyd Thomas Paris No. 1730	Sept. 7	Records conversation with M. Corbin regarding Nyon Conference: French Govt. agree it should be of technical character.	245
136	To Mr. Ingram Rome No. 926	Sept. 7	Records conversation with Signor Crolla to whom he stressed potential value of a successful Mediterranean Conference.	246
137	Viscount Chilston Moscow Tel. No. 139	Sept. 8	Transmits part of Soviet reply to invitation to Nyon Conference, questioning inclusion of Germany and asking for inclusion of Spanish Govt.	248

	NO. AND NAME	DATE	MAIN SUBJECT	PAGE
138	Mr. Ingram Rome Tel. No. 490	Sept. 8	Reports interview with Count Ciano as instructed in No. 130: Italian Govt. indignant at Soviet accusations but reply to Nyon invitation will not be unqualified negative.	249
139	Mr. Lloyd Thomas Paris Tel. No. 164	Sept. 8	French Govt. consider there was no political motive behind Soviet note to Italy.	250
140	To Mr. Ingram Rome Tel. No. 284	Sept. 8	Refers to Nos. 124 and 125 and instructs him to tell Count Ciano that an improvement in Mediterranean situation must precede any discussion of *de jure* recognition.	250
141	To Sir N. Henderson Berlin Tel. No. 164	Sept. 8	Reminds him that General Goering has not yet replied to the note given to him on July 20 (see No. 52).	251
142	Cabinet Conclusions	Sept. 8	Extract concerning situation in Mediterranean and H.M.G.'s policy at Nyon Conference.	252
143	Cabinet Conclusions	Sept. 8	Extract concerning proposal to exchange agents with Salamanca Govt.	255
144	Cabinet Conclusions	Sept. 8	Extract concerning Anglo-Italian relations and question of *de jure* recognition of Italian sovereignty in Abyssinia.	256
145	Sir N. Henderson Berlin No. 817	Sept. 8	Reports speeches by Herr Hess and Herr Hitler at opening of Nuremberg Nazi Party Congress.	262
146	To Mr. Lloyd Thomas Paris	Sept. 8	Letter from Sir G. Mounsey recounting events concerning composition of Nyon Conference.	263
147	Mr. Ingram Rome Tel. No. 494	Sept. 9	Reports receipt of Italian reply to Nyon invitation: cannot be affirmative until Russian note incident settled.	265
148	Mr. Ingram Rome Tel. No. 496	Sept. 9	Count Ciano says Italian Govt. will not reply to second Soviet note: next move lay with Soviet Govt.	265
149	Sir E. Phipps Paris Tel. No. 165	Sept. 9	Reports message from Rome: Italian Government might agree to proposal that Nyon Conference submits resolutions to N.I. Committee.	266
150	Mr. Ingram Rome Tel. No. 500	Sept. 9	Refers to No. 149: warns of dangers of excluding Italy from Nyon arrangements.	266
151	Mr. Ingram Rome Tel. No. 501	Sept. 9	Reports interview with Count Ciano to whom he gave aide-mémoire embodying No. 140: stressed that Italian actions aroused suspicions.	267
152	Mr. Edmond Geneva Tel. No. 25	Sept. 10	From Mr. Eden: instructs H.M. Ambassadors at Berlin and Rome to tell German and Italian Govts. that Nyon Conference is starting work and they will be kept informed of progress; issue will not be referred to N.I. Committee.	268
153	Mr. Lloyd Thomas Paris No. 1092	Sept. 10	Records conversation with M. Léger concerning Polish attitude towards proposed Western Pact: French determined to resist Polish participation.	269

NO. AND NAME		DATE	MAIN SUBJECT	PAGE
154	Mr. Edmond Geneva Tel. No. 27	Sept. 11	Reports on preliminary public and private meetings of Nyon Conference on Sept. 10.	269
155	Mr. Edmond Geneva Tel. No. 28	Sept. 11	From Mr. Eden for Lord Plymouth; N.I. naval patrols must be discontinued to free destroyers for operations against submarines.	271
156	Mr. Edmond Geneva Tel. No. 30	Sept. 11	From Mr. Eden, giving text of agreement signed at Nyon subject to approval by govts. concerned.	271
157	Sir. N. Henderson Berlin Tel. No. 218	Sept. 12	Gives brief report of visit to Nuremberg.	274
158	Mr. Edmond Geneva Tel. No. 31	Sept. 12	Addressed to Rome from Mr. Eden, instructing Mr. Ingram to communicate to Italian Govt. Nyon agreement and note asking them to apply its measures to Tyrrhenian Sea.	274
159	Sir N. Henderson Berlin Tel. No. 219	Sept. 12	For Mr. Eden: Baron von Neurath is satisfied with outcome of Nyon Conference.	275
160	Sir N. Henderson Berlin No. 831	Sept. 12	Gives full account of his visit to Nuremberg, Sept. 10–11. *Annexes I–IV*: Records of conversations with Dr. Goebbels, Herr Hitler, Baron von Neurath, and General Goering.	275
161	Mr. Ingram Rome Tel. No. 507	Sept. 13	For Mr. Eden at Geneva: reports Count Ciano's reactions to communication regarding Nyon agreement (No. 158).	289
162	Mr. Ingram Rome Tel. No. 508	Sept. 13	For Mr. Eden referring to No. 161: Italian attitude is one of injured pride at apparent *fait accompli* of Nyon.	290
163	Sir N. Henderson Berlin	Sept. 13	Letter to Mr. Eden commenting on his despatch (No. 160) and his proposed hunting trip with General Goering.	291
164	Mr. Edmond Geneva Tel. No. 36 L.N.	Sept. 14	From Mr. Eden to Mr. Ingram: Nyon agreement will be signed on Sept. 14 at latest, but Italian observations could still be taken into account.	292
165	Mr. Ingram Rome Tel. No. 514	Sept. 14	Gives translation of Italian reply concerning Nyon agreement.	292
166	Mr. Ingram Rome Tel. No. 516	Sept. 14	For Mr. Eden at Geneva: thinks Italian reply intended to keep door open for gesture to satisfy Italian prestige.	293
167	Nyon Conference	Sept. 14	Report of 2nd Plenary meeting including signature of Arrangement.	294
168	Sir F. Leith-Ross Treasury	Sept. 14	Letter to Mr. Jebb enclosing programme for European appeasement prepared for President Roosevelt by Dr. Grady.	298
169	Mr. Edmond Geneva No. 61	Sept. 15	Transmits copy of Nyon agreement between French and British naval staffs on zones of operation in the Mediterranean.	299
170	Mr. Edmond Geneva Tel. No. 46	Sept. 16	From Mr. Eden, discussing Italian reactions to Nyon agreement and possibility of Anglo-Italian conversations.	301

NO. AND NAME		DATE	MAIN SUBJECT	PAGE
171	Mr. Edmond Geneva Tel. No. 52	Sept. 17	From Mr. Eden for Mr. Ingram, instructing him to tell Count Ciano that Italian observations on Nyon arrangements would still be welcome.	303
172	Mr. Edmond Geneva Tel. No. 38 Saving	Sept. 17	Gives text of supplementary agreement signed at Nyon covering attacks by surface vessels and aircraft.	304
173	Mr. Edmond Geneva No. 75	Sept. 17	Transmits record by Mr. Stevenson of conversation with M. Spitzmuller concerning Italian attitude to Nyon.	305
174	Mr. Ingram Rome Tel. No. 532	Sept. 18	For Mr. Eden: reports interview with Count Ciano as instructed in No. 171: Signor Mussolini to be consulted.	306
175	To Major Follett-Routley Ajaccio	Sept. 18	Also sent to 32 other consular posts: British ships should ask their owners for particulars of special safe routes for shipping laid down in Nyon agreement.	307
176	Mr. Ingram Rome Tel. No. 539	Sept. 19	For Mr. Eden at Geneva: gives text of Italian communication concerning Nyon; Italian fleet must have equal participation in naval measures.	308
177	Mr. Ingram Rome Tel. No. 540	Sept. 19	For Mr. Eden, referring to No. 171: Count Ciano says once naval parity is agreed Italy will participate in Nyon agreement; his attitude more cordial.	308
178	Mr. Ingram Rome Tel. No. 542	Sept. 19	For Mr. Eden: thinks change in Italian attitude due to Signor Mussolini's influence; prestige the deciding factor.	309
179	Mr. Ingram Rome Tel. No. 546	Sept. 20	Refers to No. 170: considers if Italy is not brought into Nyon she may be drawn closer to Germany, and also send more 'volunteers' to Spain.	310
180	Mr. Edmond Geneva Tel. No. 62	Sept. 20	From Mr. Eden for Mr. Ingram instructing him to join with his French colleague to invite Italy to send naval experts to Paris to discuss modifications of Nyon arrangements.	312
181	Mr. Eden Geneva	Sept. 20	Extract from speech to League Assembly on the problem of raw materials.	312
182	Mr. Ingram Rome Tel. No. 550	Sept. 21	Refers to No. 180: Count Ciano says Anglo-French message gives Italy satisfaction in substance but not in form; principle of parity must be conceded in advance.	314
183	Mr. Ingram Rome Tel. No. 551	Sept. 21	Suggests alteration of text of Anglo-French communication to meet Italian objections. *Note 3.* F.O. say no alterations possible.	315
184	Mr. Ingram Rome Tel. No. 554	Sept. 21	Reports further communication from Count Ciano on Nyon: see No. 185 below.	316
185	Mr. Ingram Rome Tel. No. 555	Sept. 21	Gives text of Italian communication: Italian Govt. agree to meeting of experts at Paris to discuss Italian participation in Mediterranean naval supervision.	317
186	Sir G. Ogilvie-Forbes Berlin Tel. No. 590 Saving	Sept. 21	Reports press comment on Mr. Eden's speech to League Assembly.	317

	NO. AND NAME	DATE	MAIN SUBJECT	PAGE
187	Mr. Ingram Rome Tel. No. 563	Sept. 22	Reports interview with Count Ciano, warning him of dangers if Italy send more volunteers to Spain.	318
188	Mr. Edmond Geneva Tel. No. 69	Sept. 22	From Mr. Elliot: M. Delbos has received message from Italian Govt. who are prepared to declare that no Italians will be left in Spain after civil war ends; M. Delbos suggested accompanying agreement on withdrawal of volunteers and munitions.	318
189	To Mr. Lloyd Thomas Paris No. 1807	Sept. 22	Records conversation with M. Chautemps concerning French memo. proposing Anglo-French *démarche* at Rome in protest at Italian intervention in Spain.	320
190	To Mr. Lloyd Thomas Paris No. 1815	Sept. 22	Records conversation with M. Corbin: Mr. Eden suggested separate British *démarche* to Italian Govt. *Note 2.* British *démarche* ruled out.	322
191	Sir G. Ogilvie-Forbes Berlin No. 870	Sept. 22	Transmits report from Mr. Gainer (Munich) on the Nuremberg Party Rally.	323
192	Mr. Edmond Geneva Tel. No. 72	Sept. 23	From Mr. Elliot: M. Delbos suggested to Lord Cranborne joint Anglo-French *démarche* at Rome before Signor Mussolini leaves for Germany; asks for instructions.	327
193	Mr. Ingram Rome Tel. No. 172 Saving	Sept. 23	Reports press comment on Delbos/Bova Scoppa talks and their relation to Signor Mussolini's forthcoming visit to Germany.	328
194	To Mr. Lloyd Thomas Paris No. 1817	Sept. 23	Records conversation with M. Corbin: Mr. Eden agrees with M. Delbos on encouraging nature of Italian message (see No. 188).	329
195	To Mr. Ingram Rome Tel. No. 304	Sept. 24	Instructs him to tell Count Ciano that H.M.G. welcome assurances given to M. Delbos (No. 188) and hope to deliver Anglo-French note soon.	329
196	Mr. Ingram Rome Tel. No. 570	Sept. 24	Reports invitation to Naval Conference in Paris has been delivered: Signor Buti names likely delegates.	330
197	To Mr. Lloyd Thomas Paris No. 1829	Sept. 25	Reports discussions on Sept. 23 and 24 leading to despatch of No. 195: M. Delbos agrees with procedure suggested by Mr. Eden.	330
198	To Sir G. Ogilvie-Forbes Berlin	Sept. 25	Letter from Mr. Nichols asking whether German Govt. would accept advice from H.M.G. on *Sudetendeutsch* problem.	332
199	Mr. Edmond Geneva Tel. No. 78	Sept. 27	From Mr. Elliot, reporting speech in League Committee by Señor del Vayo attacking policy of non-intervention.	333
200	Sir E. Phipps Paris Tel. No. 179	Sept. 28	Reports talk with M. Léger who urged necessity of Anglo-French *démarche* in Rome to prevent further Italian support of General Franco.	334
201	Mr. Edmond Geneva Tel. No. 80	Sept. 28	From Mr. Elliot referring to No. 199: prospect remote of agreement on resolution regarding Spain.	335

	NO. AND NAME	DATE	MAIN SUBJECT	PAGE
202	To Mr. Roosevelt Washington	Sept. 28	Letter from Mr. Chamberlain in reply to No. 70: does not feel time is right for him to visit the U.S.	336
203	Sir E. Phipps Paris Tel. No. 184	Sept. 29	Reports hold-up in naval staff talks caused by Russian demands: Italians exasperated.	337
204	Sir E. Phipps Paris Tel. No. 185	Sept. 29	Refers to No. 203: M. Chautemps deplores Russian obstructionism and agrees to authorize French signature of naval agreement.	338
205	Mr. Edmond Geneva Tel. No. 82 L.N.	Sept. 29	Reports message from M. Blum that M. Beneš fears German move against Austria.	338
206	Mr. Edmond Geneva Tel. No. 85 L.N.	Sept. 29	From Mr. Elliot, reporting further discussions on Spanish resolution in Drafting Committee: see No. 201.	339
207	Cabinet Conclusions	Sept. 29	Extract concerning Nyon Conference and Paris naval conversations.	340
208	Cabinet Conclusions	Sept. 29	Extract concerning Spanish situation: approval of Anglo-French *démarche* to Italy together with Anglo-Italian conversations.	341
209	C.O.S. Sub-Committee of the C.I.D. C.I.D. 1350B	Sept. 29	Report on Anglo-Italian relations.	347
210	To The Earl of Perth Rome Tel. No. 309	Sept. 30	Reports conversation with Count Grandi on Spanish situation and proposed tripartite conversations: Anglo-French note is being considered.	351
211	To The Earl of Perth Rome Tel. No. 310	Sept. 30	Gives details of talk with Count Grandi on possibility of tripartite conversations on Spain.	352
212	Mr. Edmond Geneva Tel. No. 86	Sept. 30	From Mr. Elliot, reporting adoption of Spanish resolution by Drafting Committee.	354
213	Mr. Edmond Geneva Tel. No. 87	Sept. 30	From Mr. Elliot, giving text of Spanish resolution regretting failure of N.I. Committee to end Spanish war and appealing for further efforts for a peaceful solution.	355
214	Naval Agreement Paris	Sept. 30	Text of Anglo-French-Italian naval agreement on protection of merchant shipping as referred to in Nyon agreement.	356

CHAPTER III

N.I.C. negotiations for withdrawal of volunteers from Spain: preparations for Lord Halifax's visit to Germany: German declaration on Belgian neutrality

October 1–30, 1937

	NO. AND NAME	DATE	MAIN SUBJECT	PAGE
215	Sir G. Ogilvie-Forbes Berlin Tel. No. 237	Oct. 1	Reports conversation with Herr von Weizsäcker who said Austria had not been mentioned during Signor Mussolini's visit to Germany.	359

NO. AND NAME	DATE	MAIN SUBJECT	PAGE
216 To The Earl of Perth Rome Tel. No. 312	Oct. 1	Gives text of Anglo-French note to Italian Govt. proposing tripartite conversations regarding Spain.	360
217 To The Earl of Perth Rome Tel. No. 313	Oct. 1	Instructs him to leave aide-mémoire regarding Anglo-Italian conversations with Count Ciano, and to ask if Italians are prepared to begin talks at an early date.	362
218 Mr. Edmond Geneva Tel. No. 62 Saving	Oct. 2	From Mr. Elliot, reporting that resolution on Spain (see No. 213) failed to secure necessary unanimity.	364
219 The Earl of Perth Rome Tel. No. 583	Oct. 3	Records interview with Count Ciano, who would give no opinion on Anglo-Italian talks before consulting Signor Mussolini.	365
220 Sir E. Phipps Paris Tel. No. 191	Oct. 5	Reports interview with M. Delbos who feared Italian rejection of Anglo-French *démarche* on volunteer question.	366
221 Sir E. Phipps Paris Tel. No. 192	Oct. 5	Reports assurances given by M. Delbos to M. Krofta regarding French aid to Czechoslovakia in the event of German aggression.	367
222 Mr. Mallet Washington Tel. No. 327	Oct. 5	Reports important foreign policy speech by President Roosevelt in Chicago.	368
223 Mr. Edmond Geneva Tel. No. 96	Oct. 5	From Mr. Elliot: lack of unanimity on League resolution on Spain proves that H.M.G. should deal independently with Spanish situation.	369
224 Sir R. Clive Brussels Tel. No. 44 Saving	Oct. 6	Records interview with M. Spaak: German Govt. are contemplating a declaration about Belgian neutrality.	369
225 Sir G. Ogilvie-Forbes Berlin No. 888	Oct. 6	Account of Signor Mussolini's visit to Berlin.	370
226 Sir G. Ogilvie-Forbes Berlin Tel. No. 601 Saving	Oct. 7	Reports resurgence of colonial campaign in German press.	375
227 Sir G. Ogilvie-Forbes Berlin Tel. No. 602 Saving	Oct. 7	Reports press reactions to *Times* letter advocating colonial mandates for Germany.	376
228 Sir E. Phipps Paris Tel. No. 591 Saving	Oct. 7	Refers to No. 221: France could not undertake to intervene in situations not covered by her treaty with Czechoslovakia.	377
229 Sir G. Warner Berne Tel. No. 27	Oct. 8	Refers to No. 205: enquiries have revealed no signs of an impending German attack on Austria.	377
230 To Sir R. Clive Brussels Tel. No. 51	Oct. 8	Refers to No. 224 and instructs him to remind Belgian Foreign Minister of promise that H.M.G. would be consulted over any action regarding Germany.	378
231 Mr. Newton Prague Tel. No. 94 Saving	Oct. 8	Reports conversation with Dr. Krofta regarding German danger and Franco-Czechoslovak treaty relationship.	379
232 Mr. Newton Prague Tel. No. 95 Saving	Oct. 8	Refers to No. 231: Dr. Krofta does not seem apprehensive of danger from Germany.	380

	NO. AND NAME	DATE	MAIN SUBJECT	PAGE
233	To Sir E. Phipps Paris No. 1905	Oct. 8	Records interview with M. Corbin who outlined French policy if Italian reply to Anglo-French note on Spanish volunteers proved negative.	381
234	To Sir E. Phipps Paris No. 1906	Oct. 8	Records interview with M. Corbin regarding situation in Central Europe: H.M.G. cannot predict their reaction to hypothetical circumstances.	383
235	The Earl of Perth Rome Tel. No. 597	Oct. 9	Refers to No. 220 and expresses alarm at possibility of French action in Minorca.	384
236	Sir R. Clive Brussels Tel. No. 58	Oct. 9	Refers to No. 230: Foreign Minister will discuss text of German declaration on Oct. 11.	384
237	The Earl of Perth Rome Tel. No. 602	Oct. 9	Reports discussion with Count Ciano of Italian reply to Anglo-French note on Spanish volunteers.	385
238	Sir N. Henderson London	Oct. 10	Letter to Mr. Eden enclosing record of conversation with General Goering at Rominten on Oct. 4.	386
239	Mr. Strang Foreign Office	Oct. 11	Minute on proposed German declaration regarding Belgian neutrality.	389
240	To Sir E. Phipps Berlin No. 1925	Oct. 12	Records interview with M. Corbin who put forward French proposals for dealing with Italian reply on volunteers: meeting of N.I. Committee should be called on Oct. 15.	391
241	Sir G. Ogilvie-Forbes Berlin Tel. No. 245	Oct. 13	Reports details of German declaration regarding Belgium, given to him by Belgian Counsellor.	396
242	Sir R. Clive Brussels Tel. No. 64	Oct. 13	Reports M. Spaak regrets Mr. Eden's reaction to German declaration but cannot raise last minute amendments with the German Govt.	396
243	Sir G. Ogilvie-Forbes Berlin Tel. No. 246	Oct. 13	Has no information at present of possibility of German attack on Austria, but feels German Govt. determined to take Austria sooner or later.	397
244	Cabinet Conclusions	Oct. 13	Extract concerning Mediterranean situation and French proposals for effecting withdrawal of volunteers from Spain.	398
245	Cabinet Conclusions	Oct. 13	Extract concerning proposed conversations with Italian Govt.	403
246	Mr. E. Parker *The Field*	Oct. 13	Letter to Lord Halifax transmitting invitation to International Sporting Exhibition at Berlin.	404
247	To The Earl of Perth Rome No. 1050	Oct. 14	Records interview with Count Grandi regarding proposed procedure in N.I. Committee on Oct. 16: British proposals of July on Spanish supervision acceptable in principle.	405
248	To Viscount Chilston Moscow No. 488	Oct. 14	Records interview with M. Maisky to whom Mr. Eden stressed serious consequences if Soviet Govt. took negative attitude towards proposed move in N.I. Committee.	407

NO. AND NAME	DATE	MAIN SUBJECT	PAGE
249 To Sir R. Campbell Belgrade No. 239	Oct. 14	Records conversation with M. Stoyadinovitch who explained Yugoslav foreign policy.	409
250 To Sir W. Selby Vienna	Oct. 14	Letter from Sir R. Vansittart reporting information received as to German intentions in Austria: instructs him to ask Dr. Schuschnigg about this.	412
251 The Earl of Perth Rome Tel. No. 614	Oct. 16	Refers to No. 247 and gives details of discussion with Count Ciano on volunteer question.	413
252 To Viscount Chilston Moscow Tel. No. 117	Oct. 18	Instructs him to explain to M. Litvinov that Soviet attitude in N.I. Committee may be decisive in reaching agreement on withdrawal of Spanish volunteers.	414
253 Sir R. Vansittart Foreign Office	Oct. 18	Record of conversation with Herr Henlein who urged H.M.G. to advise M. Beneš regarding *Sudetendeutsch* problem.	415
254 To Sir E. Phipps Paris No. 1970	Oct. 18	Records conversation with M. Corbin regarding forthcoming N.I.C. meeting, Soviet attitude, and French action if no agreement reached.	418
255 To Viscount Chilston Moscow No. 489	Oct. 18	Records conversation with M. Maisky urging Soviet Govt. to cooperate in N.I. Committee on volunteer withdrawal question.	420
256 Viscount Chilston Moscow Tel. No. 182	Oct. 19	Refers to No. 252: has stressed to M. Potemkine importance of Soviet attitude at N.I.C. meeting. *Note 3.* Proceedings of 65th and 66th Chairman's Sub-Committee meetings.	421
257 The Earl of Perth Rome Tel. No. 625	Oct. 19	Reports press comment on number of Italian volunteers in Spain: Govt. side must now give their figures.	421
258 Mr. Robinson Warsaw	Oct. 19	Memo. on the situation in Danzig.	422
259 Mr. Ashton-Gwatkin Berlin	Oct. 20	Note on German economic position based on talk with Dr. Ritter.	425
260 Sir G. Ogilvie-Forbes Berlin Tel. No. 622 Saving	Oct. 21	Reports hostile press campaign against England.	428
261 To Mr. Parker *The Field*	Oct. 21	Letter from Lord Halifax accepting invitation to visit sporting exhibition in Berlin: proposes to travel over on Nov. 8.	429
262 Sir H. Chilton Hendaye No. 713	Oct. 21	Reports conversation with Señor Sangroniz concerning numbers of volunteers fighting for General Franco.	429
263 Mr. Mack Vienna	Oct. 21	Letter to Sir R. Vansittart in reply to No. 250, reporting interview with Herr Schmidt.	430
264 To Sir G. Ogilvie-Forbes Berlin Tel. No. 184	Oct. 22	Informs him of Lord Halifax's proposed visit to Berlin and asks for his views on whether he may be able to meet Herr Hitler and other Ministers.	433
265 To Sir E. Phipps Paris No. 1993	Oct. 22	Instructs him to enquire whether French Govt. have been approached by Polish Govt. on subject of Western Pact: explains H.M.G.'s attitude.	434

NO. AND NAME		DATE	MAIN SUBJECT	PAGE
266	The Earl of Perth Rome No. 880	Oct. 22	Reviews recent negotiations with Italian Govt. on volunteer question and asks for further instructions.	435
267	To Sir G. Ogilvie-Forbes Berlin Tel. No. 185	Oct. 23	Refers to No. 260: instructs him to draw Baron von Neurath's attention to insulting anti-British tone of press and urge him to remedy it.	436
268	Sir E. Phipps Paris Tel. No. 639 Saving	Oct. 23	Records conversation with M. Delbos regarding events in N.I. Committee: smaller Powers are watching for Anglo-French weakness.	437
269	Foreign Office	Oct. 25	Memo. on British strategical requirements in the Mediterranean.	438
270	Sir E. Phipps Paris No. 1245	Oct. 26	Refers to No. 265: M. Delbos felt he must take friendly attitude towards Poland if approached regarding Western Pact, but thought that matter could be allowed to rest.	443
271	To Viscount Chilston Moscow Tel. No. 128	Oct. 27	Describes critical juncture reached in N.I. Committee and instructs him to urge Soviet support of Anglo-French plan.	444
272	Sir O. Sargent Foreign Office	Oct. 27	Minute on Lord Halifax's proposed visit to Germany.	445
273	Mr. Eden Foreign Office	Oct. 27	Minute on desirability of briefing Lord Halifax on *Sudetendeutsch* question before his visit to Berlin.	447
274	To Sir N. Henderson Berlin No. 1288	Oct. 27	Records interview with Herr von Ribbentrop who seemed obsessed with Communism.	447
275	Sir G. Ogilvie-Forbes Berlin Tel. No. 256	Oct. 29	Reports press campaign in support of Germany's colonial claims.	449
276	Viscount Chilston Moscow Tel. No. 188	Oct. 29	Refers to No. 271: Soviet Govt. will not depart from their standpoint on belligerent rights, and do not believe Italy will really withdraw her troops from Spain.	450
277	N.I. Committee Chairman's Sub-Committee	Oct. 29	Text of draft resolution concerning withdrawal of volunteers, belligerent rights, and control in Spain.	451
278	The Earl of Perth Rome Tel. No. 653	Oct. 30	Reports interview with Count Ciano who said he would not attend Brussels Conference personally.	453
279	C. in C. Mediterranean Tel. No. 216	Oct. 30	Message to Admiralty reporting meeting with French and Italian Admirals to conclude arrangements for implementing Paris Naval Agreement (No. 214).	454

CHAPTER IV

Lord Halifax's visit to Germany: Anglo-French conversations in London
November 1–30, 1937

NO. AND NAME	DATE	MAIN SUBJECT	PAGE
280 To Mr. Newton Prague Tel. No. 34	Nov. 1	Instructs him to speak to Dr. Beneš about Herr Henlein's recent visit to London and asks his opinion of H.M.G. advising on treatment of *Sudetendeutsch*.	456
281 Sir G. Ogilvie-Forbes Berlin Tel. No. 257	Nov. 1	Reports rumours of impending announcement by Herr Hitler of offer of general settlement, and continuing press campaign for colonies.	457
282 Sir E. Phipps Paris	Nov. 1	Letter to Mr. Eden reporting information that Signor Cerruti believed Signor Mussolini wanted to make war on Great Britain.	458
283 Sir N. Henderson Berlin Tel. No. 260	Nov. 2	Reports attempts to arrange interview with Herr Hitler for Lord Halifax.	459
284 Sir N. Henderson Berlin Tel. No. 262	Nov. 2	Reports conversation with Herr von Hassell who urged early improvement of Anglo-Italian relations.	460
285 Sir N. Henderson Berlin Tel. No. 658 Saving	Nov. 2	Reports Mr. Eden's speech on Italian support for German colonial campaign has caused embarrassment in German press.	460
286 Sir N. Henderson Berlin No. 973	Nov. 2	Encloses report by Mr. Gainer on reactions in Munich to German declaration on Belgian neutrality.	461
287 Sir N. Henderson Berlin No. 979	Nov. 2	Comments on Mr. Gainer's views on unpopularity in Germany of entente with Italy, and attitudes towards Great Britain.	462
288 The Earl of Perth Rome Tel. No. 656	Nov. 3	Reports hostile reactions to Mr. Eden's speech referring to Italian attitude to colonies (see No. 285, note 1).	464
289 The Earl of Perth Rome Tel. No. 658	Nov. 3	Suggests a parliamentary question might be arranged to explain why Anglo-Italian conversations have not started. *Note 2*: F.O. feel question should be kept vague.	465
290 Mr. Law	Nov. 3	Letter to Sir O. Sargent describing his recent trip to Berlin.	466
291 Sir R. Clive Brussels Tel. No. 80	Nov. 4	From Mr. Eden, reporting talk with M. Delbos about problem of *Sudetendeutsch* in Czechoslovakia.	468
292 Sir R. Clive Brussels Tel. Unnumbered Saving	Nov. 5	From Mr. Eden: M. Litvinov has promised to try and arrange Soviet agreement to N.I. resolutions.	469
293 Mr. Roberts Foreign Office	Nov. 5	Note on negotiations for exchange of commercial agents with General Franco.	470
294 Sir N. Henderson Berlin Tel. No. 265	Nov. 6	Reports conversation with Baron von Neurath regarding arrangements for Lord Halifax to meet Herr Hitler.	471

NO. AND NAME		DATE	MAIN SUBJECT	PAGE
295	To Sir N. Henderson Berlin Tel. No. 191	Nov. 6	States that H.M.G. would not contemplate any political settlement at the expense of Central and Eastern Europe: Sir N. Henderson is relied on to bear this in mind.	471
296	Sir H. Kennard Warsaw Tel. No. 58 Saving	Nov. 6	Reports issue of Polish-German declaration regarding treatment of minorities.	472
297	Mr. Leeper Foreign Office	Nov. 6	Record of conversation with Count Grandi regarding Anglo-Italian relations.	473
298	Sir N. Henderson Berlin Tel. No. 268	Nov. 7	Hopes that Lord Halifax will meet Herr Hitler on date proposed: feels opportunity open for agreement with Germany.	476
299	To Sir N. Henderson Berlin Tel. No. 192	Nov. 8	Refers to No. 298: Lord Halifax's talk with Herr Hitler should take place during Hunting Exhibition to avoid speculation.	476
300	Sir N. Henderson Berlin Tel. No. 673 Saving	Nov. 8	Records conversation with General Goering regarding Dr. Schacht's position at Ministry of Economics.	477
301	Sir N. Henderson Berlin Tel. No. 674 Saving	Nov. 8	Refers to No. 295 and gives his views on the future of Central Europe.	477
302	Mr. Mack Vienna Tel. No. 84 Saving	Nov. 8	Reports Dr. Schmidt's account of visit to Berlin where his fears about German intentions were allayed.	479
303	Sir N. Henderson Berlin Tel. No. 269	Nov. 9	Refers to No. 299: is trying to arrange Lord Halifax's interview with Herr Hitler, and urges that the former should go to Berchtesgaden if necessary.	480
304	Sir R. Vansittart Foreign Office	Nov. 9	Letter to Mr. Chamberlain, enclosing record of conversation with Count Grandi regarding possibility of Count Grandi meeting Mr. Eden in Brussels.	481
305	Mr. Newton Prague No. 330	Nov. 9	Records conversation with President Beneš regarding the *Sudetendeutsch* minority in Czechoslovakia.	483
306	Sir N. Henderson Berlin Tel. No. 274	Nov. 10	Reports Herr Hitler would be glad to receive Lord Halifax at Berchtesgaden on Nov. 18 or 19.	489
307	Sir N. Henderson Berlin Tel. No. 275	Nov. 10	Suggests arrangements for Lord Halifax's proposed visit to Berchtesgaden.	489
308	The Earl of Perth Rome Tel. No. 678	Nov. 10	Transmits text of bulletin issued in answer to Mr. Chamberlain's Guildhall speech urging immediate start for Anglo-Italian conversations.	490
309	Sir R. Clive Brussels Tel. No. 69 Saving	Nov. 10	From Mr. Eden, recording conversation with Mr. Norman Davis and M. Delbos concerning the future of Central Europe.	492
310	Lord Cranborne Foreign Office	Nov. 10	Record of conversation with Mr. Chamberlain regarding Lord Halifax's proposed visit to Berlin.	493
311	Mr. Collier Foreign Office	Nov. 10	Memo. on the effect of Power blocs on H.M.G.'s foreign policy.	494
312	To Sir N. Henderson Berlin Tel. No. 194	Nov. 11	Refers to No. 306: Lord Halifax is prepared to go to Berchtesgaden; suggests *communiqué* for German approval.	497

NO. AND NAME	DATE	MAIN SUBJECT	PAGE
313 To Sir N. Henderson Berlin Tel. No. 195	Nov. 11	From Sir R. Vansittart, agreeing amendments in joint *communiqué* on Lord Halifax's visit to Germany.	498
314 The Earl of Perth Rome Tel. No. 681	Nov. 12	Reports interview with Count Ciano: Signor Mussolini agrees it would be unwise for him to meet Mr. Eden at Brussels.	499
315 Sir N. Henderson Berlin Tel. No. 282	Nov. 12	Reports German view that Dr. Schuschnigg must eventually crumble under Nazi pressure in Austria.	500
316 C.O.S. Sub-Committee of the C.I.D. C.I.D. 1366B	Nov. 12	Report on comparison of strength of Great Britain with certain other nations as at Jan. 1938.	501
317 Sir N. Henderson Berlin Tel. No. 683 Saving	Nov. 13	Records interview with Dr. Goebbels regarding attitude of German press towards Great Britain.	513
318 To Sir E. Phipps Paris No. 2141	Nov. 13	Records Mr. Eden's conversation with M. Delbos regarding Lord Halifax's impending visit to Germany.	515
319 Mr. Strang Foreign Office	Nov. 13	Note for Lord Halifax on Sir N. Henderson's memo. of May 10 (Encl. in No. 53).	517
320 Sir N. Henderson Berlin Tel. No. 283	Nov. 14	Suggests arrangements for Lord Halifax's visit and asks for details of his arrival.	523
321 Sir N. Henderson Berlin Tel. No. 284	Nov. 14	Reports press statement about Lord Halifax's visit to Germany criticizing British press attitude.	524
322 Sir N. Henderson Berlin Tel. No. 285	Nov. 14	Refers to No. 321: press statement shows signs of Herr Hitler's personal touch; Poliakoff is suspected as *Evening Standard*'s source.	526
323 Sir N. Henderson Berlin Tel. No. 286	Nov. 14	Refers to No. 322: State Secretary has been warned of deplorable effect of press statement.	526
324 To Sir N. Henderson Berlin Tel. No. 198	Nov. 15	Refers to Nos. 322 and 323: press statement based on three false assumptions; instructs him to explain Poliakoff has no connection with F.O.	527
325 To Sir N. Henderson Berlin	Nov. 15	Letter from Sir O. Sargent referring to No. 301 and urging him to avoid giving German Govt. wrong impression about H.M.G.'s Central European policy.	528
326 Mr. Harvey Foreign Office	Nov. 15	Letter to Lord Halifax's Private Secretary enclosing Sir N. Henderson's memo. of May 10 and explaining Mr. Eden's views on Danzig.	529
327 Sir N. Henderson Berlin Tel. No. 290	Nov. 16	Reports he has begged Baron von Neurath to discourage idea of Herr von Ribbentrop and Sir N. Henderson accompanying Lord Halifax to Berchtesgaden.	530
328 Sir N. Henderson Berlin Tel. No. 291	Nov. 16	Herr Hitler agrees that only Baron von Neurath will accompany Lord Halifax to Berchtesgaden.	531
329 Sir H. Kennard Warsaw No. 503	Nov. 16	Reports anxiety in Danzig over attitude of Free City authorities towards Poland and Germany.	531

NO. AND NAME	DATE	MAIN SUBJECT	PAGE
330 SIR G. KNOX Budapest Tel. No. 42 Saving	Nov. 17	For Sir O. Sargent: M. de Kanya is uneasy about General Goering's proposed visit to Vienna.	533
331 SIR E. PHIPPS Paris Tel. No. 705 Saving	Nov. 18	Reports press attitude towards Lord Halifax's visit to Germany.	533
332 SIR N. HENDERSON Berlin	Nov. 18	Letter to Mr. Eden reporting the arrival of Lord Halifax, and a conversation with General Goering.	534
333 TO SIR R. CLIVE Brussels No. 667	Nov. 19	Records conversation with M. Spaak on Anglo-Belgian relations.	536
334 SIR N. HENDERSON Berlin No. 1038	Nov. 20	Records conversation with M. Mastny concerning German-Czech relations.	537
335 SIR E. PHIPPS Paris Tel. No. 716 Saving	Nov. 21	Reports M. Chautemps is considering proposing a meeting with Mr. Eden and Mr. Chamberlain.	540
336 LORD HALIFAX Berlin	Nov. 21	Account of his visit to Germany, Nov. 17–21.	540
337 SIR N. HENDERSON Berlin Tel. No. 295	Nov. 22	Reports favourable reactions to Lord Halifax's visit, and interest in his impressions of Herr Hitler.	555
338 MR. KIRKPATRICK Berlin	Nov. 22	Letter to Mr. Strang describing Lord Halifax's visit to Berchtesgaden.	556
339 SIR N. HENDERSON Berlin No. 1042E	Nov. 22	Reports Financial Adviser's conclusions that economic position in Germany is now much easier.	559
340 FOREIGN OFFICE	Nov. 22	Record of discussion of possible retaliation against Italian anti-British propaganda in the Middle East.	560
341 TO SIR E. PHIPPS Paris Tel. No. 234	Nov. 23	Refers to No. 335 and transmits invitation to MM. Chautemps and Delbos to come to London.	563
342 SIR N. HENDERSON Berlin Tel. No. 696 Saving	Nov. 23	Reports Dr. Schacht now definitely leaving Ministry of Economics.	563
343 SIR N. HENDERSON Berlin No. 1041	Nov. 23	Account of Lord Halifax's visit to Germany. *Encl.*: Memo. on conversation between Lord Halifax and Dr. Goebbels.	564
344 SIR N. HENDERSON Berlin	Nov. 23	Letter to Sir O. Sargent defending himself against criticism of his attitude made in No. 325.	569
345 SIR N. HENDERSON Berlin Tel. No. 298	Nov. 24	Gives text of Herr Hitler's remarks concerning colonies in Augsburg speech.	570
346 CABINET CONCLUSIONS	Nov. 24	Extract concerning Lord Halifax's visit to Germany and proposed talks with French ministers.	571
347 CABINET CONCLUSIONS	Nov. 24	Extract concerning the Brussels Conference and Far Eastern situation.	575
348 MR. EDEN Foreign Office	Nov. 26	Memo. on strength of Great Britain and other nations in Jan. 1938, in reply to No. 316.	576

	NO. AND NAME	DATE	MAIN SUBJECT	PAGE
349	MR. CHAMBERLAIN Birmingham	Nov. 26	Letter to his sister Ida on the results and implications of Lord Halifax's visit to Germany.	580
350	SIR M. LAMPSON Cairo No. 1376	Nov. 27	Gives his views on the obstacles to an agreement with Italy; advises an understanding with Germany.	581
351	SIR P. LORAINE Angora Tel. No. 172	Nov. 29	Reports conversation with Dr. Aras concerning possible developments in the Mediterranean and Yugoslav P.M.'s forthcoming visit to Rome.	585
352	FOREIGN OFFICE	Nov. 29	Note for Mr. Eden on Anglo-Italian conversations for use in talk with French Ministers.	586
353	SIR N. HENDERSON Berlin No. 1060	Nov. 29	Comments on German press attitude and advises more sympathetic treatment of Germany by British Press.	588
354	10 DOWNING ST.	Nov. 29/30	Record of conversations between British and French Ministers.	590
355	FOREIGN OFFICE	Nov. 30	Text of conclusions for guidance of British and French Ministers after conversations of Nov. 29–30.	621

CHAPTER V

Reactions to Mr. Chamberlain's plans for agreement with Italy and Germany: President Roosevelt's peace initiative

December 1, 1937–January 29, 1938

	NO. AND NAME	DATE	MAIN SUBJECT	PAGE
356	SIR R. LINDSAY Washington Tel. No. 443	Dec. 1	Reports conversation with Mr. Welles about Halifap/Hitler talk: advises sending full account to Washington.	624
357	SIR E. PHIPPS Paris Tel. No. 731 Saving	Dec. 1	Reports press comment on Anglo-French conversations.	625
358	CABINET CONCLUSIONS	Dec. 1	Extract concerning Anglo-French conversations of Nov. 29–30: commentary by Mr. Eden and Mr. Chamberlain.	626
359	SIR O. SARGENT Foreign Office	Dec. 1	Minute concerning press reports suggesting Herr Hitler has made demands for certain African territories including Belgian Congo.	631
360	TO SIR N. HENDERSON Berlin No. 1445	Dec. 1	Records interview with Herr von Ribbentrop concerning Anglo-French talks and possibility of a general agreement.	632
361	SIR N. HENDERSON Berlin No. 1067	Dec. 1	Reports conversation with Baron von Neurath concerning Austria and the policy of Nazi Govt.	635
362	SIR N. HENDERSON Berlin No. 1068	Dec. 1	Reports conversation with Baron von Neurath concerning effect on Anglo-German relations of Lord Halifax's visit.	636
363	SIR O. SARGENT Foreign Office	Dec. 2	Minute suggesting that Lord Halifax should reply to proposals made by Herr Hitler and that colonial question should be discussed with Dominions.	638

	NO. AND NAME	DATE	MAIN SUBJECT	PAGE
364	To The Earl of Perth Rome No. 1249	Dec. 2	Records interview with Count Grandi regarding possibility of opening Anglo-Italian conversations.	639
365	Sir N. Henderson Berlin	Dec. 2	Letter to Mr. Eden suggesting ways of approaching Herr Hitler regarding a general settlement.	642
366	Mr. Kirkpatrick Berlin	Dec. 2	Letter to Mr. Strang regarding German views on intimacy of *Daily Telegraph* and F.O.	643
367	Mr. Aveling Brussels Tel. No. 93	Dec. 3	Reports statement by M. Spaak on rumours of German designs on Belgian colonies.	644
368	The Earl of Perth Rome Tel. No. 716	Dec. 5	Comments on No. 364: feels condition regarding cessation of Italian propaganda will have unfavourable effect on opening of Anglo-Italian conversations.	645
369	Sir N. Henderson Berlin Tel. No. 304	Dec. 6	Reports Dr. Schacht's fury at press statements regarding Belgian colonies: see Nos. 359 and 366.	646
370	To Sir R. Lindsay Washington Tel. No. 584	Dec. 6	Summarizes Hitler-Halifax talks for information of U.S. Govt.	647
371	To Sir N. Henderson Berlin Tel. No. 209	Dec. 6	Refers to No. 360 and instructs him to make sure German Govt. are not expecting any communication from H.M.G. in the near future.	649
372	To Sir R. Clive Brussels No. 707	Dec. 6	Records interview with Belgian Ambassador concerning German views on Belgian colonies.	649
373	Sir R. Lindsay Washington	Dec. 6	Letter to Sir A. Cadogan stressing importance of close relations with the U.S.	650
374	Sir N. Henderson Berlin	Dec. 7	Letter to Mr. Eden reporting Dr.Schmidt's impressions of Lord Halifax's talk with Herr Hitler.	652
375	Sir N. Henderson Berlin	Dec. 7	Letter to Mr. Eden reporting conversation with Signor Attolico, who said no improvement in Anglo-Italian relations could come before *de jure* recognition in Abyssinia.	652
376	Cabinet Conclusions	Dec. 8	Extract concerning internal position in Germany and Italy.	653
377	Cabinet Conclusions	Dec. 8	Extract concerning N.I.C. scheme for withdrawal of volunteers from Spain.	653
378	Cabinet Conclusions	Dec. 8	Extract concerning memo. on comparative strengths of Britain and other nations (No. 316).	655
379	To Mr. Newton Prague Tel. No. 43	Dec. 9	Instructs him to inform M. Delbos of lines on which H.M.G. expect him to speak to M. Beneš on their behalf.	657
380	Sir N. Henderson Berlin Tel. No. 307	Dec. 9	Refers to No. 371 and reports conversation with Baron von Neurath on colonial question.	658
381	To Sir N. Henderson Berlin Tel. No. 210	Dec. 9	Refers to No. 369 and sends information regarding Dr. Schacht's supposed statements on colonies; matter is best left alone now.	660

NO. AND NAME		DATE	MAIN SUBJECT	PAGE
382	To Sir R. Campbell Belgrade Tel. No. 103	Dec. 9	Instructs him to ask M. Stoyadinovitch for an account of his much-publicized visit to Rome.	660
383	Sir R. Campbell Belgrade Tel. No. 138	Dec. 10	Refers to No. 382: thinks that M. Stoyadinovitch is sincere in his desire not to tie Yugoslavia to Italy.	661
384	To The Earl of Perth Rome Tel. No. 376	Dec. 10	Refers to No. 368: improvement of Anglo-Italian relations lies in Italian hands.	663
385	To Sir E. Phipps Paris No. 2332	Dec. 10	Records conversation with M. Corbin regarding German reaction to Anglo-French talks and Italian decision to leave League of Nations.	665
386	The Earl of Perth Rome Tel. No. 735	Dec. 12	Refers to No. 384: Italians do not understand H.M.G.'s reasoning and think they are just delaying 'revenge'.	666
387	The Earl of Perth Rome Tel. No. 737	Dec. 12	Reports announcement of Italian decision to leave League of Nations.	668
388	Sir N. Henderson Berlin	Dec. 14	Letter to Mr. Eden recording conversation with MM. Flandin and François-Poncet concerning future German intentions.	669
389	Sir R. Vansittart Foreign Office	Dec. 14	Minute for Mr. Eden reporting Herr Hitler's annoyance at Lord Halifax raising religious question in their talks.	670
390	Sir R. Campbell Belgrade Tel. No. 141	Dec. 15	Reports conversation with M. Stoyadinovitch who denied any sinister implications in his visit to Rome.	671
391	Sir N. Henderson Berlin No. 1120	Dec. 15	Surveys problems of Anglo-German agreement and suggests ways of solving them.	673
392	Lady Chamberlain Rome	Dec. 15	Letter to Mr. Eden recording a meeting with Signor Mussolini whom she assured of British desire for friendship.	677
393	Sir N. Henderson Berlin Tel. No. 740 Saving	Dec. 17	Reports he has no evidence of German pressure on Italy to leave League of Nations.	680
394	To Sir N. Henderson Berlin	Dec. 17	Refers to Nos. 365, 374, and 375, and points out difference between Sir N. Henderson's view and policy of H.M.G.	681
395	To Sir N. Henderson Berlin No. 1510	Dec. 17	Sets out H.M.G.'s policy on colonial question for his guidance in dealing with German Govt.	682
396	To Sir E. Phipps Paris No. 2368	Dec. 17	Records conversation with M. Corbin who suggested closer military contacts between Britain and France.	686
397	Mr. Newton Prague Tel. No. 58	Dec. 18	Reports M. Delbos' account of conversation with Dr. Beneš concerning *Sudetendeutsch* question.	688
398	Sir E. Phipps Paris Tel No. 756 Saving	Dec. 20	Gives further details of M. Delbos' tour.	689
399	The Earl of Perth Rome Tel. No. 762	Dec. 21	Reports press comment on Mr. Eden's statement on Italian propaganda.	692

NO. AND NAME		DATE	MAIN SUBJECT	PAGE
400	Sir N. Henderson Berlin No. 1136	Dec. 21	Reports information on plans for a *Putsch* in Austria in 1938.	693
401	Cabinet Conclusions	Dec. 22	Extract concerning defence expenditure.	694
402	To The Earl of Perth Rome No. 1333	Dec. 23	Records interview with Count Grandi who delivered note from Italian Govt. on Anglo-Italian relations (*Annex*).	696
403	The Earl of Perth Rome Tel. No. 772	Dec. 25	Expresses opinion that conversations with Italy must begin now or never: suggests ways of overcoming problems.	698
404	Viscount Chilston Moscow No. 620	Dec. 28	Reviews Soviet press comment on recent European developments which shows increased suspicion of Anglo-French policies.	699
405	The Earl of Perth Rome Tel. No. 779	Dec. 30	Suggests talk with Count Ciano regarding opening of Anglo-Italian conversations: anti-British propaganda must cease at same time.	702
406	Sir E. Phipps Paris Tel. No. 764 Saving	Dec. 30	Reports French Govt. have heard that Signor Mussolini is thinking of sending reinforcements to Spain.	703
407	To The Earl of Perth Rome Tel. No. 398	Dec. 31	Refers to Nos. 403 and 405: if Italians insist on discussion of *de jure* recognition H.M.G. must take longer to consider opening conversations.	704
408	Foreign Office	Dec. 31	Press notice regarding new appointments. *Note 2.* Details of Sir R. Vansittart's removal from office as P.U.S.	704
		1938		
409	Mr. Eden Foreign Office	Jan. 1	Memo. on next steps towards a general settlement with Germany.	706
410	To Mr. Chamberlain	Jan. 1	Letter from Mr. Eden regarding *de jure* recognition of Italian sovereignty in Ethiopia: two alternative approaches discussed.	709
411	To Sir N. Henderson Berlin No. 29	Jan. 5	In reply to No. 353 sets out H.M.G.'s position regarding press attitudes towards Germany.	712
412	The Earl of Perth Rome No. 11	Jan. 5	Records conversation with Signor Mussolini on Anglo-Italian relations.	715
413	Sir R. Lindsay Washington Tel. No. 26	Jan. 7	Reports request from Mr. Sumner Welles for exchange of confidential information.	717
414	To Sir R. Lindsay Washington Tel. No. 21	Jan. 7	Asks him to assess probable U.S. reaction to *de jure* recognition of Italian Empire in Abyssinia.	717
415	To Mr. Eden Grasse	Jan. 7	Letter from Mr. Chamberlain commenting on No. 410: feels *de jure* recognition is a central factor in any settlement.	718
416	Sir R. Lindsay Washington Tel. No. 31	Jan. 8	Refers to No. 414: *de jure* issue has faded into background in U.S.A.	721
417	Mr. Palairet Vienna Tel. No. 2	Jan. 8	Reports conversation with Dr. Schmidt who said Austria did not intend to change her attitude to the League.	721
418	Mr. Eden Grasse	Jan. 9	Letter to Mr. Chamberlain in reply to No. 415: will discuss Abyssinian problem with M. Delbos.	722

NO. AND NAME	DATE	MAIN SUBJECT	PAGE
419 Sir E. Phipps Paris No. 39	Jan. 9	Reports receipt from M. Léger of account of M. Blum's conversation with Dr. Schacht on May 28, 1937.	724
420 Mr. Strang Foreign Office	Jan. 10	Record of conversation with Sir H. Wilson concerning message sent to Herr Hitler by Mr. Chamberlain.	725
421 Sir R. Lindsay Washington Tel. No. 37	Jan. 11	Reports President's personal request that next three tels. be regarded as particularly secret.	725
422 Sir R. Lindsay Washington Tel. No. 38	Jan. 12	Reports message from President who intends to announce scheme for peace initiative if H.M.G. give support by Jan. 17.	726
423 Sir R. Lindsay Washington Tel. No. 39	Jan. 12	Gives President's draft plan for world peace.	727
424 Sir R. Lindsay Washington Tel. No. 40	Jan. 12	Gives further details of President's plan as explained by Mr. Welles.	729
425 Sir R. Lindsay Washington Tel. No. 42	Jan. 12	Gives own views on President's plans: urges speedy acceptance by H.M.G.	731
426 To Sir R. Lindsay Washington Tel. No. 32	Jan. 12	Asks if report that Italian/U.S. trade talks have broken down is true.	732
427 Sir R. Lindsay Washington Tel. No. 44	Jan. 12	Reports President's views on position of Japan and belligerent rights in relation to world peace plan.	733
428 Sir A. Cadogan Foreign Office	Jan. 12	Minute for Mr. Chamberlain commenting on Nos. 421–24.	733
429 To Mr. Eden	Jan. 12	Letter from Sir A. Cadogan giving Southern Dept.'s view on *de jure* recognition issue.	735
430 To Sir R. Lindsay Washington Tel. No. 35	Jan. 13	From Mr. Chamberlain to President Roosevelt regarding peace plan: suggests delay in implementation.	737
431 To Sir R. Lindsay Washington Tel. No. 36	Jan. 13	From Mr. Chamberlain adding further comments on President Roosevelt's plan.	739
432 The Earl of Perth Rome Tel. No. 9 Saving	Jan. 13	Reports press comment on results of Budapest Conference.	740
433 To Mr. Eden	Jan. 13	Letter from Mr. Chamberlain referring to No. 418: feels Mr. Eden has misunderstood P.M.'s viewpoint on *de jure* recognition.	742
434 To Mr. Eden	Jan. 13	Letter from Sir A. Cadogan enclosing copies of correspondence regarding President's peace plan. *Note 8.* Mr. Eden's return to London.	743
435 Sir R. Lindsay Washington Tel. No. 51	Jan. 14	Reports reaction of Mr. Welles to Nos. 430 and 431.	744
436 Sir R. Lindsay Washington Tel. No. 52	Jan. 14	Refers to No. 426 and gives Mr. Welles' views on *de jure* recognition issue.	745
437 Sir N. Henderson Berlin Tel. No. 10 Saving	Jan. 14	Reports interview with Baron von Neurath on German press and the colonial question.	746

NO. AND NAME	DATE	MAIN SUBJECT	PAGE
438 Mr. Harvey Foreign Office	Jan. 14	Minute for Mr. Eden asking if Lord Halifax should be allowed to see Nos. 391 and 395. *Note 3.* Mr. Eden agrees.	747
439 Sir H. Wilson	Jan. 14	For Sir A. Cadogan: Mr. Chamberlain would like a note prepared on contributions to be made by Germany to a general settlement.	748
440 Mr. Ashton-Gwatkin Foreign Office	Jan. 14	Note for Mr. Eden on M. van Zeeland's report on his economic mission.	749
441 Sir R. Lindsay Washington Tel. No. 57	Jan. 15	Reports President will reply to No. 430 but is feeling disappointed.	750
442 Sir N. Henderson Berlin No. 53	Jan. 15	Reports conversation with Dr. Kircher on Anglo-German relations.	751
443 To Sir R. Lindsay Washington Tel. No. 41	Jan. 16	Expresses hope that President will not consider No. 430 as a negative response from H.M.G.	753
444 Sir R. Lindsay Washington Tel. No. 60	Jan. 17	Refers to No. 436 and reports further conversation with Mr. Welles who expressed strong views on *de jure* recognition.	753
445 To Mr. Chamberlain	Jan. 17	Letter from Mr. Eden urging favourable response to President Roosevelt's peace initiative.	754
446 Sir R. Lindsay Washington Tel. No. 62	Jan. 18	Gives text of President's message to Mr. Chamberlain in reply to No. 430: agrees to postpone peace plan proposals.	755
447 Sir R. Lindsay Washington Tel. No. 63	Jan. 18	Refers to No. 446: is impressed by strength of President's opposition to grant of *de jure* recognition to Italy.	757
448 Sir N. Henderson Berlin Tel. No. 9	Jan. 18	Reports on M. Beck's visit to Berlin: Germans appear to expect early developments in Austria.	759
449 Mr. Eden Foreign Office	Jan. 18	Minute for discussion with Mr. Chamberlain, urging adoption of President Roosevelt's plan and abandonment of *de jure* recognition.	759
450 To the Earl of Perth Rome No. 95	Jan. 19	Records interview with Count Grandi on possibility of opening Anglo-Italian conversations.	761
451 Sir R. Lindsay Washington Tel. No. 72	Jan. 20	Reports suggestion by Mr. Welles for full exchange of diplomatic information between U.S. Govt. and H.M.G.	762
452 To Sir R. Lindsay Washington Tel. No. 54	Jan. 20	Replies to No. 413: U.S. Embassy will be supplied with information.	763
453 Sir E. Phipps Paris Tel. No. 42 Saving	Jan. 20	Reports M. Delbos told him of rumour of further large Italian troop movements to Spain.	764
454 Mr. O'Neill Foreign Office	Jan. 20	Memo. on Germany's plans as regards Austria.	764
455 To Sir R. Lindsay Washington Tel. No. 58	Jan. 21	From Mr. Chamberlain: thanks President for deferring his initiative and will welcome it whenever it is announced.	766

	NO. AND NAME	DATE	MAIN SUBJECT	PAGE
456	To Sir R. Lindsay Washington Tel. No. 59	Jan. 21	Sets out H.M.G.'s position as regards President's initiative and offers criticism on some points.	767
457	To Sir R. Lindsay Washington Tel. No. 61	Jan. 21	Comments on difficulties of President's plan for guidance of Sir R. Lindsay.	769
458	To Sir R. Lindsay Washington Tel. No. 60	Jan. 21	Message for President Roosevelt from Mr. Chamberlain, explaining position on *de jure* recognition issue.	770
459	The Earl of Perth Rome Tel. No. 15 Saving	Jan. 21	Reports excuses made by Count Ciano for not mentioning Austrian independence in Budapest Conference *communiqué*.	772
460	Sir R. Lindsay Washington Tel. No. 77	Jan. 22	Records interview with Mr. Welles about Nos. 455–58: President will probably be pleased.	773
461	Sir R. Lindsay Washington Tel. No. 79	Jan. 22	Refers to No. 452: has discussed exchange of diplomatic information with Mr. Welles.	775
462	Sir R. Lindsay Washington Tel. No. 78	Jan. 22	Refers to No. 460 and reports discussion of *de jure* recognition with Mr. Welles.	775
463	Sir R. Lindsay Washington Tel. No. 84	Jan. 24	Reports President deeply gratified by Mr. Chamberlain's messages (Nos. 455 and 458).	776
464	Sir N. Henderson Berlin Tel. No. 17 Saving	Jan. 24	Reports information that Count Ciano has told German Govt. of H.M.G.'s enquiry regarding possible Italian cession of Jubaland.	777
465	Cabinet Committee on Foreign Policy	Jan. 24	Extract from conclusions of 21st meeting regarding German colonial question.	777
466	Cabinet Conclusions	Jan. 24	Extract concerning recent discussions of President Roosevelt's initiative. *Annex*: Statements by Mr. Eden and Mr. Chamberlain summarizing the position.	791
467	Viscount Chilston Moscow	Jan. 24	Letter to Mr. Collier discussing German-Soviet relations.	799
468	To Sir N. Henderson Berlin Tel. No. 8	Jan. 25	Asks his opinion of Mr. Chamberlain's plan for colonial concessions to Germany.	802
469	Mr. Eden Foreign Office	Jan. 25	Memo. on German contribution towards general appeasement. *Annex*: Memo. on general settlement as discussed in 1937.	803
470	Sir R. Lindsay Washington Tel. No. 91	Jan. 26	Refers to No. 461: has had further talk with Mr. Welles regarding exchange of information.	814
471	Sir N. Henderson Berlin Tel. No. 12	Jan. 26	Comments on colonial scheme set out in No. 468.	815
472	Sir N. Henderson Berlin Tel. No. 13	Jan. 26	Summarizes German attitude towards colonial settlement.	815
473	Mr. Edmond Geneva Tel. No. 2 Saving	Jan. 26	From Mr. Eden reporting conversation with MM. Delbos and Chautemps on international situation.	817

	NO. AND NAME	DATE	MAIN SUBJECT	PAGE
474	SIR N. HENDERSON Berlin No. 95	Jan. 26	Reports conversation with Herr von Ribbentrop to whom he tried to explain H.M.G.'s viewpoint.	820
475	SIR N. HENDERSON Berlin No. 96	Jan. 26	Comments on friction between German Army and Nazi Party.	822
476	SIR H. MONTGOMERY The Hague Tel. No. 1	Jan. 27	Reports conversation with M. Patijn concerning Dutch position on *de jure* recognition issue.	825
477	TO SIR N. HENDERSON Berlin Tel. No. 10	Jan. 27	Asks him to return to London for consultation on German colonial question.	826
478	SIR R. VANSITTART Foreign Office	Jan. 27	Minute for Mr. Eden recording conversation with M. Flandin, who was frightened by his visit to Germany.	827
479	MR. PALAIRET Vienna Tel. No. 6	Jan. 28	Reports arrest of Dr. Tavs and search of Nazi H.Q. in Vienna.	827
480	TO SIR R. LINDSAY Washington Tel. No. 84	Jan. 28	From Mr. Chamberlain, enquiring when President Roosevelt will reply to his messages.	828
481	MR. EDMOND Geneva Tel. No. 6 Saving	Jan. 28	From Mr. Eden, reporting further conversation with M. Delbos regarding talks with Italy and Germany.	829
482	THE EARL OF PERTH Rome Tel. No. 30	Jan. 29	Reports general opinion that Anglo-Italian reconciliation must be effected before Herr Hitler visits Rome.	830

CHAPTER VI

Preparations for negotiations with Germany and Italy: Dr. Schuschnigg's visit to Berchtesgaden: Mr. Eden's resignation: Sir N. Henderson presents British proposals to Herr Hitler

February 1–March 8, 1938

	NO. AND NAME	DATE	MAIN SUBJECT	PAGE
483	TO H.M. REPRESENTATIVES	Feb. 1	Circular despatch transmitting memo. on status of Chief Diplomatic Adviser.	831
484	TO THE EARL OF PERTH Rome No. 132	Feb. 1	Reports interview with Count Grandi to whom was explained delay in following up Anglo-Italian conversations.	833
485	SIR R. LINDSAY Washington Tel. No. 106	Feb. 2	Refers to No. 480: President asks H.M.G. to wait a few days for launching of his peace plan.	833
486	CABINET CONCLUSIONS	Feb. 2	Extract concerning possible effect of General Franco's recent failures on Signor Mussolini.	834
487	TO SIR E. PHIPPS Paris No. 208	Feb. 2	Records interview with French and Italian Ambassadors concerning sinking of the *Endymion*.	834

NO. AND NAME		DATE	MAIN SUBJECT	PAGE
488	CABINET COMMITTEE on Foreign Policy	Feb. 3	Conclusions concerning next steps towards general settlement with Germany.	836
489	TO SIR R. LINDSAY Washington Tel. No. 98	Feb. 4	Refers to No. 485: asks him to confirm that President is willing for Anglo-Italian negotiations to proceed.	850
490	THE EARL OF PERTH Rome Tel. No. 36	Feb. 4	Expresses opinion that inclusion of Spain would wreck Anglo-Italian talks.	851
491	C.O.S. SUB-COMMITTEE of the C.I.D.	Feb. 4	Memo. on Staff conversations with France and Belgium.	853
492	SIR N. HENDERSON Berlin Tel. No. 20	Feb. 5	Gives preliminary observations on reconstruction of German Cabinet.	858
493	TO THE EARL OF PERTH Rome Tel. No. 22	Feb. 5	Reports two conversations with Count Grandi on Spain and Anglo-Italian relations.	860
494	TO SIR E. PHIPPS Paris No. 231	Feb. 5	Records conversation with M. Corbin on Italian attitude towards Mediterranean patrols and Spanish question.	861
495	THE EARL OF PERTH Rome Tel. No. 47	Feb. 6	For Sir A. Cadogan: Lady Chamberlain has seen Signor Mussolini, and read to him a letter from the Prime Minister.	863
496	SIR N. HENDERSON Berlin Tel. No. 22	Feb. 6	Comments on recent changes in German hierarchy.	864
497	THE EARL OF PERTH Rome Tel. No. 50	Feb. 6	For Sir A. Cadogan: lists Signor Mussolini's five points for an Anglo-Italian agreement.	864
498	THE EARL OF PERTH Rome Tel. No. 51	Feb. 6	Refers to No. 493: considers Spanish issue would cause difficulty and delay to Anglo-Italian talks.	865
499	MR. PALAIRET Vienna Tel. No. 11	Feb. 7	Reports Austrian Govt. uneasy at removal of Herr von Papen and appointment of Herr von Ribbentrop.	866
500	SIR N. HENDERSON Berlin Tel. No. 23	Feb. 7	Considers no further approach should be made to Germany until internal upheaval has died down.	867
501	MR. TROUTBECK Prague Tel. No. 4	Feb. 8	Considers that changes in German hierarchy will lead to less restrained policy towards Czechoslovakia.	868
502	MR. TROUTBECK Prague Tel. No. 6	Feb. 9	Reports Czech views on recent events in Germany.	870
503	CABINET CONCLUSIONS	Feb. 9	Extract concerning proposed conversations with Germany: their possible postponement.	870
504	MR. EDEN Foreign Office	Feb. 10	Memo. on German contribution to general appeasement.	872
505	TO THE EARL OF PERTH Rome No. 176	Feb. 10	Records conversation with Count Grandi on N.I. Committee, *de jure* recognition in Abyssinia, propaganda, and prospects for Anglo-Italian conversations.	881
506	MR. PALAIRET Vienna Tel. No. 12	Feb. 11	Reports Dr. Schuschnigg and Dr. Schmidt are to visit Herr Hitler on Feb. 12: they do not expect any disagreeable surprises.	885

	NO. AND NAME	DATE	MAIN SUBJECT	PAGE
507	To Sir N. Henderson Berlin Tel. No. 15	Feb. 11	Refers to No. 500 and puts forward arguments for immediate approach to Herr Hitler: asks for further statement of views.	886
508	Sir N. Henderson Berlin Tel. No. 29	Feb. 11	Suggests preliminary talks with Herr Hitler on Feb. 15, then discussions in London if Herr von Ribbentrop presents his letters of recall.	887
509	Sir N. Henderson Berlin Tel. No. 31	Feb. 11	Refers to No. 507: appreciates reasons for immediate action and proposes to speak to Herr Hitler as suggested in No. 508.	888
510	To Sir N. Henderson Berlin Tel. No. 18	Feb. 12	Text of communication to Herr Hitler will reach him on Feb. 14: no action to be taken pending further instructions.	889
511	Sir N. Henderson Berlin Tel. No. 33	Feb. 12	Refers to No. 509 and makes further suggestions for talk with Herr Hitler on Feb. 15.	889
512	To Sir N. Henderson Berlin No. 164	Feb. 12	Gives text of communication on basis for an agreement: no action to be taken until instructed.	890
513	Mr. Palairet Vienna Tel. No. 15	Feb. 13	Reports information on concessions made by Dr. Schuschnigg to Germany.	892
514	To Sir N. Henderson Berlin Tel. No. 20	Feb. 14	Instructs him to ask for interview with Herr Hitler in order to act on No. 512.	893
515	To Sir E. Phipps Paris Tel. No. 28 Saving	Feb. 14	Gives terms of communication to be made to French Govt. when instructed, regarding British approach for a settlement with Germany (No. 512).	894
516	Mr. Palairet Vienna Tel. No. 16	Feb. 15	Reports Dr. Schmidt's account of Berchtesgaden meeting: German manner threatening; Dr. Schuschnigg forced to comply.	895
517	Mr. Palairet Vienna Tel. No. 18	Feb. 15	Reports conversation with Dr. Schuschnigg, who felt agreement with Germany had secured breathing space for Austria.	896
518	To Mr. Palairet Vienna Tel. No. 5	Feb. 15	Refers to Nos. 516 and 517 and expresses anxiety over appointment of Dr. Seyss-Inquart as head of public security.	897
519	To Sir N. Henderson Berlin Tel. No. 21	Feb. 15	Instructs him to ask Herr von Ribbentrop for any information on events in Austria.	897
520	Mr. Palairet Vienna Tel. No. 20	Feb. 15	Reports interview with French Minister who said Austrian Govt. were about to accept German terms: they have no choice.	898
521	Sir N. Henderson Berlin Tel. No. 38	Feb. 15	Reports interview with Herr von Ribbentrop as instructed in Nos. 514 and 519: German Govt. are expecting an early reply from Austria to their suggestions.	899
522	Mr. Palairet Vienna Tel. No. 22	Feb. 15	Dr. Schuschnigg says appointment of Seyss-Inquart is lesser evil: he cannot resist German pressure, but government of Austria is still in his hands.	900

	NO. AND NAME	DATE	MAIN SUBJECT	PAGE
523	Sir E. Phipps Paris Tel. No. 54	Feb. 15	Reports information from M. Delbos that according to French Minister in Vienna, Dr. Schuschnigg has been advised by Signor Mussolini to yield to German demands: M. Delbos feels Anglo-French *démarche* at Berlin would be useful.	901
524	Sir R. Lindsay Washington Tel. No. 120	Feb. 15	Suggests amendment to President Roosevelt's plan to avoid idea of Conference: U.S. should exert moral influence.	901
525	Sir N. Henderson Berlin Tel. No. 39	Feb. 16	Reports Herr Hitler has agreed to receive him: interview may possibly be before Feb. 20 Reichstag speech.	903
526	Sir N. Henderson Berlin Tel. No. 40	Feb. 16	Reports conversations with Baron von Neurath and Herr Hitler, who reproached H.M.G. for advising Austria to reject German agreement.	904
527	Sir R. Lindsay Washington Tel. No. 121	Feb. 16	Refers to No. 524: President intends to launch his plan in present form after Feb. 23.	905
528	Sir N. Henderson Berlin Tel. No. 41	Feb. 16	Advises against any *démarche* at Berlin regarding Berchtesgaden agreement: Herr Hitler regards it as peaceful solution avoiding bloodshed.	905
529	Sir N. Henderson Berlin Tel. No. 43	Feb. 16	Comments on unfavourable atmosphere for his interview with Herr Hitler: suggests Austria should not be specifically mentioned.	906
530	Mr. Palairet Vienna Tel. No. 24	Feb. 16	Reports information from French Minister on Italian approval of Austrian attitude, and influence of H.M.G.	906
531	Mr. Palairet Vienna Tel. No. 26	Feb. 16	Refers to No. 526: Dr Schmidt must have misrepresented conversation with Dr. Schuschnigg.	907
532	The Earl of Perth Rome Tel. No. 69	Feb. 16	Reports talk with Count Ciano concerning proposed Anglo-Italian conversations.	907
533	To Sir N. Henderson Berlin Tel. No. 30	Feb. 16	Refers to No. 529: he should maintain reference to Austria when discussing No. 512 with Herr Hitler.	908
534	To Sir E. Phipps Paris Tel. No. 28	Feb. 16	Instructs him to tell M. Delbos H.M.G. deprecate idea of Anglo-French *démarche* at Berlin concerning Austria.	909
535	To Sir N. Henderson Berlin Tel. No. 32	Feb. 16	Refers to No. 526 and instructs him to deny that H.M.G. tried to upset Austro-German agreement.	909
536	Sir N. Henderson Berlin Tel. No. 44	Feb. 16	Records interview with Field Marshal Goering who said Germany would give any guarantee to obtain Anglo-German understanding except to renounce union with Austria.	910
537	To Sir E. Phipps Paris Tel. No. 32 Saving	Feb. 16	Refers to No. 519 and informs him of instructions given to Sir N. Henderson regarding Austria.	911
538	The Earl of Perth Rome Tel. No. 73	Feb. 17	Reports talk with Count Ciano who had written to Count Grandi urging early start to Anglo-Italian conversations.	912

NO. AND NAME		DATE	MAIN SUBJECT	PAGE
539	SIR N. HENDERSON Berlin Tel. No. 46	Feb. 17	Refers to No. 535: wishes to maintain original line concerning Austria: to speak as instructed would weaken H.M.G.'s standpoint.	912
540	MR. PALAIRET Vienna Tel. No. 27	Feb. 17	Refers to No. 534: feels that German actions towards Austria justify stiff language on the part of H.M.G.	913
541	SIR E. PHIPPS Paris Tel. No. 56	Feb. 17	Reports that he has carried out instructions in Nos. 515, 534, 537: M. Delbos feels Austrian situation must be closely watched.	914
542	SIR N. HENDERSON Berlin Tel. No. 49	Feb. 17	Reports Herr Hitler would prefer to receive him after Feb. 20 speech.	915
543	THE EARL OF PERTH Rome Tel. No. 74	Feb. 17	Message for Mr. Eden from Lady Chamberlain: Count Ciano urged haste in Anglo-Italian talks.	915
544	TO SIR N. HENDERSON Berlin Tel. No. 36	Feb. 17	Refers to No. 539: has no objection to Sir N. Henderson referring to Austria in his conversation with Herr Hitler.	916
545	SIR E. PHIPPS Paris Tel. No. 57	Feb. 17	M. Delbos feels any approach to Germany should be delayed until implications of Herr Hitler's Reichstag speech have been considered.	916
546	SIR O. SARGENT Foreign Office	Feb. 17	Minute stating that Sir E. Phipps had now been instructed to act on Nos. 515 and 534.	916
547	TO SIR N. HENDERSON Berlin	Feb. 17	Letter from Sir A. Cadogan warning him of rumours that he is in favour of *Anschluss* and is preparing to offer Germany substantial concessions.	917
548	SIR N. HENDERSON Berlin Tel. No. 51	Feb. 18	Reports talk with Field Marshal Goering who explained resentment felt by Germans at foreign interference in their affairs.	917
549	MR. TROUTBECK Prague Tel. No. 11	Feb. 18	Reports general uneasiness in Czechoslovakia over Austro-German agreement.	918
550	SIR N. HENDERSON Berlin Tel. No. 50	Feb. 18	Reports conversation with Field Marshal Goering who said he had been Herr Hitler's sole adviser in recent reshuffle.	919
551	TO SIR R. LINDSAY Washington Tel. No. 126	Feb. 18	Refers to No. 524: does not feel H.M.G. should suggest modifications to President's peace plan; danger of U.S. interference in European conversations.	920
552	SIR N. HENDERSON Berlin Tel. No. 53	Feb. 18	Refers to No. 545: feels it would be grave mistake to postpone conversation with Herr Hitler because of Austria.	920
553	TO SIR N. HENDERSON Berlin Tel. No. 38	Feb. 18	Refers to No. 542: instructs him not to accept any date for interview with Herr Hitler without reference to Mr. Eden.	921
554	SIR E. PHIPPS Paris Tel. No. 58	Feb. 18	Refers to No. 545: M. Delbos points out illogicality of approaching Germany now she has taken aggressive action.	922
555	SIR N. HENDERSON Berlin Tel. No. 54	Feb. 18	Warns of danger of drawing back from approach to Herr Hitler because of Austria.	922

	NO. AND NAME	DATE	MAIN SUBJECT	PAGE
556	The Earl of Perth Rome Tel. No. 79	Feb. 18	Feels Italian eagerness for conversations may be due to German pressure for an Italo-German alliance.	924
557	French Embassy London	Feb. 18	Memo. suggesting joint *démarche* protesting against German pressure on Austria.	924
558	Mr. Palairet Vienna Tel. No. 32	Feb. 19	Reports French Minister's account of interview with Dr. Schuschnigg who seemed determined to resist German pressure.	927
559	Mr. Palairet Vienna Tel. No. 33	Feb. 19	Reports that Austrians do not consider their relations with Germany to be a 'family affair' and would like outside support.	929
560	To Sir N. Henderson Berlin Tel. No. 43	Feb. 19	Refers to No. 555: wishes to maintain instructions in No. 553 but notes his suggestion.	929
561	Cabinet Conclusions	Feb. 19	Extract concerning relations with Italy: decision on immediate opening of conversations deferred until Feb. 20.	929
562	Sir E. Phipps Paris Tel. No. 59	Feb. 20	Reports general dismay in French press at prospect of Mr. Eden's resignation.	930
563	Sir N. Henderson Berlin Tel. No. 57	Feb. 20	Refers to No. 556: Herr Hitler wishes to test sincerity of H.M.G.'s desire for an understanding.	931
564	Sir E. Phipps Paris Tel. Unnumbered	Feb. 20	For Mr. Chamberlain: French Govt. very worried at news of Mr. Eden's resignation; would like to be reassured on future policy.	932
565	To Sir N. Henderson Berlin Tel. No. 45	Feb. 20	Instructs him to delay acceptance of any interview with Herr Hitler until new Secretary of State has taken charge.	933
566	To Sir E. Phipps Paris Tel. Unnumbered	Feb. 20	Refers to No. 564: H.M.G. have no plans to change their policy and will keep in close consultation with French Govt.	933
567	Sir N. Henderson Berlin Tel. No. 59	Feb. 20	Comments on Herr Hitler's Reichstag speech.	934
568	Cabinet Conclusions	Feb. 20	Extract concerning relations with Italy: attempts to reach compromise between Mr. Chamberlain and Mr. Eden. *Note 2.* Mr. Eden resigns.	935
569	Mr. Palairet Vienna No. 50	Feb. 20	Record of events leading up to and succeeding Dr. Schuschnigg's meeting with Herr Hitler on Feb. 12.	937
570	Sir E. Phipps Paris Tel. No. 60	Feb. 21	For Mr. Chamberlain: M. Chautemps is grateful for message in No. 566 but feels French Govt. may fall.	944
571	Sir N. Henderson Berlin Tel. No. 61	Feb. 21	Reports conversation with Herr von Ribbentrop: interview with Herr Hitler may be deferred.	945
572	Sir N. Henderson Berlin Tel. No. 55 Saving	Feb. 21	Reports press comment on Mr. Eden's resignation.	946
573	To The Earl of Perth Rome No. 236	Feb. 21	Records meetings with Count Grandi on Feb. 18 and 21.	946

	NO. AND NAME	DATE	MAIN SUBJECT	PAGE
574	Sir N. Henderson Berlin	Feb. 21	Letter to Sir A. Cadogan in reply to No. 547: Fleet St. rumours of his attitudes are grotesque.	952
575	The Earl of Perth Rome Tel. No. 83	Feb. 22	Records interview with Count Grandi concerning proposed Anglo-Italian conversations.	952
576	The Earl of Perth Rome Tel. No. 86	Feb. 22	Reports press comment on House of Commons proceedings regarding Mr. Eden's resignation.	954
577	Mr. Law	Feb. 22	Letter to Sir O. Sargent giving views of the City on Mr. Eden's resignation.	955
578	To Sir E. Phipps Paris Tel. No. 42	Feb. 23	Records interview with M. Corbin who wanted information about proposed Anglo-Italian conversations.	956
579	To Mr. Palairet Vienna Tel. No. 19	Feb. 23	Refers to Nos. 558 and 559: feels it would be unwise to send a message of sympathy to Dr. Schuschnigg.	957
580	Cabinet Conclusions	Feb. 23	Extract concerning H.M.G.'s reply to French memo. advocating joint action over Austria.	957
581	Mr. Palairet Vienna Tel. No. 40	Feb. 24	Agrees danger of leakage makes confidential communication with Dr. Schuschnigg impossible.	958
582	To Sir R. Lindsay Washington Tel. No. 140	Feb. 24	Gives text of message to Mr. Hull that Mr. Eden's resignation does not mean change in British foreign policy.	959
583	Viscount Chilston Moscow Tel. No. 49	Feb. 24	Reports unfavourable press comment on Mr. Eden's resignation.	959
584	Mr. Palairet Vienna Tel. No. 41	Feb. 24	Reports vigorous speech by Dr. Schuschnigg emphasizing Austrian independence.	960
585	Sir E. Phipps Paris Tel. No. 119 Saving	Feb. 24	Reports M. Delbos very depressed and anxious to make joint *démarche* on Austria before Sir N. Henderson approaches Herr Hitler.	961
586	Sir E. Phipps Paris Tel. No. 120 Saving	Feb. 24	M. Delbos asks to be given information on proposed Anglo-Italian talks before debate in French Chamber.	962
587	Mr. Palairet Vienna No. 58	Feb. 24	Reports farewell visit from Herr von Papen: discussion of Austro-German relations.	962
588	Sir R. Lindsay Washington Tel. No. 133	Feb. 25	President Roosevelt approves of Mr. Chamberlain's statements in House of Commons (No. 576, note 1) and is holding his peace plan in abeyance.	965
589	To Sir E. Phipps Paris Tel. No. 46	Feb. 25	Refers to No. 586: instructs him to reassure M. Delbos but hint that H.M.G. cannot be expected to disclose details of Anglo-Italian conversations.	965
590	Sir E. Phipps Paris Tel. No. 64	Feb. 25	Reports MM. Delbos and Chautemps are worried about Spanish question and urge pressure on Italy and Germany.	966

	NO. AND NAME	DATE	MAIN SUBJECT	PAGE
591	To Sir E. Phipps Paris Tel. No. 47	Feb. 25	Refers to No. 585: still deprecates idea of joint *démarche* on Austria, but matter will be mentioned by Sir N. Henderson to Herr Hitler.	967
592	Foreign Office	Feb. 25	Memo. communicated to French Embassy in reply to No. 557, regarding events in Austria.	968
593	To Sir E. Phipps Paris No. 394	Feb. 25	Records conversation with M. Corbin regarding Sir N. Henderson's proposed interview with Herr Hitler.	971
594	Sir P. Loraine Angora Tel. No. 53	Feb. 26	Reports unanimity at Balkan Entente Conference, but asks for message from H.M.G. to give a lead to their policies.	972
595	Sir N. Henderson Berlin Tel. No. 64	Feb. 26	Refers to reports that Herr Hitler's treatment of Dr. Schuschnigg was intended to avoid a more extreme policy towards Austria.	972
596	Sir E. Phipps Paris Tel. No. 65	Feb. 26	Refers to No. 591: M. Delbos regrets lack of joint protest, but is relieved Sir N. Henderson will include Austrian issue in his communication to Herr Hitler.	974
597	To Sir P. Loraine Angora Tel. No. 28	Feb. 27	Refers to No. 594: Mr. Eden's resignation does not mean change in H.M.G.'s policy. *Note 1.* Also sent to Washington, Belgrade, Athens, Brussels, The Hague.	974
598	Mr. Palairet Vienna Tel. No. 42	Feb. 27	Urges that Herr Hitler should be left in no doubt as to importance of Austrian independence.	975
599	To Sir N. Henderson Berlin Tel. No. 55	Feb. 27	Transmits terms in which reference to Austria and Czechoslovakia should be made at interview with Herr Hitler.	976
600	Sir P. Loraine Angora Tel. No. 54	Feb. 28	Refers to No. 597, which has produced good effect in Turkish, Greek, and Roumanian circles.	976
601	Sir G. Knox Budapest Tel. No. 16	Feb. 28	States that failure to openly affirm importance of Austrian independence will be taken as consent to its violation.	977
602	Sir G. Knox Budapest No. 41	Feb. 28	Reports that he has denied that Lord Halifax approved of German attitude towards Austria and Czechoslovakia: cf. No. 517.	977
603	Sir N. Henderson Berlin Tel. No. 66	Mar. 1	Has requested interview with Herr Hitler: may be fixed for Mar. 3.	978
604	Sir N. Henderson Berlin No. 203	Mar. 1	Records conversation with Baron von Neurath concerning Austria.	978
605	To Sir N. Henderson Berlin Tel. No. 63	Mar. 2	Instructions regarding information to be given to press on interview with Herr Hitler.	980
606	Cabinet Conclusions	Mar. 2	Extract concerning proposed conversations with Germany.	981
607	Cabinet Conclusions	Mar. 2	Extract concerning British desiderata in forthcoming Anglo-Italian conversations.	982

	NO. AND NAME	DATE	MAIN SUBJECT	PAGE
608	To Sir R. Lindsay Washington Tel. No. 157	Mar. 3	Transmits message for U.S. Govt. regarding proposed conversations with Germany and Italy.	984
609	Sir N. Henderson Berlin Tel. No. 70	Mar. 4	Account of meeting with Herr Hitler on Mar. 3 to carry out instructions in Nos. 512 and 599.	985
610	Sir N. Henderson Berlin Tel. No. 71	Mar. 4	Summarizes result of talk with Herr Hitler: his aggressive intentions in Central Europe are quite clear; colonial problem is not urgent.	987
611	Sir N. Henderson Berlin Tel. No. 72	Mar. 4	Reports Herr von Ribbentrop's interjections in interview with Herr Hitler as utterly misleading.	989
612	Sir N. Henderson Berlin Tel. No. 73	Mar. 4	Reports French Ambassador's pessimistic reaction to account of meeting with Herr Hitler.	989
613	Sir E. Phipps Paris Tel. No. 134 Saving	Mar. 4	Reports M. Delbos is very worried about Austria: Herr Hitler must be warned against further aggression.	990
614	Sir N. Henderson Berlin No. 217	Mar. 5	Transmits translation (not printed) of Dr. Schmidt's notes of meeting with Herr Hitler.	990
615	Sir N. Henderson Berlin No. 225	Mar. 5	Gives his comments on interview with Herr Hitler on Mar. 3.	991
616	Sir R. Lindsay Washington Tel. No. 146	Mar. 7	Gives Mr. Sumner Welles' comments on H.M.G.'s policy in reply to No. 608.	997
617	To Sir E. Phipps Paris Tel. No. 47 Saving	Mar. 7	Transmits message for M. Delbos concerning Sir N. Henderson's interview with Herr Hitler.	998
618	Sir N. Henderson Berlin Tel. No. 79	Mar. 8	Reports talk with Herr von Ribbentrop on the eve of his visit to London.	999
619	Sir E. Phipps Paris Tel. No. 140 Saving	Mar. 8	Refers to No. 617: M. Delbos feels armed strength necessary against Herr Hitler's future plans.	1000

CHAPTER VII

Documents relating to the conclusion of the Anglo-Italian Agreement of April 16, 1938

March 4–August 4, 1938

	NO. AND NAME	DATE	MAIN SUBJECT	PAGE
620	To The Earl of Perth Rome No. 297	Mar. 4	Encloses instructions for his guidance in forthcoming Anglo-Italian conversations.	1001
621	Sir E. Phipps Paris Tel. No. 67	Mar. 5	Transmits French Govt.'s requests regarding content of forthcoming Anglo-Italian talks.	1016
622	The Earl of Perth Rome Tel. No. 108	Mar. 7	Refers to No. 621 and comments on French requests.	1017

	NO. AND NAME	DATE	MAIN SUBJECT	PAGE
623	To Sir M. Lampson Cairo Tel. No. 119	Mar. 7	Instructs him to inform Egyptian Prime Minister of proposed Anglo-Italian conversations and subjects of discussion.	1018
624	To The Earl of Perth Rome Tel. No. 54	Mar. 7	Instructs him to inform Count Ciano of appeal to British press to avoid provocative references to Italy.	1019
625	The Earl of Perth Rome Tel. No. 50 Saving	Mar. 9	Reports satisfactory attitude of Italian press towards forthcoming talks.	1020
626	To Sir E. Phipps Paris Tel. No. 55	Mar. 10	Refers to Nos. 621 and 622 and instructs him to reply to French points regarding Anglo-Italian conversations.	1020
627	The Earl of Perth Rome No. 249	Mar. 10	Records interview with Count Ciano on Mar. 8 concerning Anglo-Italian conversations.	1021
628	Lord Halifax Foreign Office	Mar. 11	Memo. on Spain and Anglo-Italian conversations.	1034
629	To Sir M. Lampson Cairo Tel. No. 140	Mar. 15	Message for Egyptian Foreign Minister: it is not yet clear how Austrian developments will affect Anglo-Italian conversations.	1040
630	Cabinet Committee on Foreign Policy	Mar. 15	Conclusions concerning the Anglo-Italian conversations and Spain.	1041
631	The Earl of Perth Rome Tel. No. 180	Mar. 19	Reports Count Ciano is anxious for early conclusion of Anglo-Italian agreement.	1052
632	To The Earl of Perth Rome	Mar. 21	Letter from Sir O. Sargent commenting on French memo. of Mar. 10 on Anglo-Italian conversations.	1052
633	To The Earl of Perth Rome Tel. No. 128	Mar. 23	Records conversation with Count Grandi regarding effect of Spanish problem on Anglo-Italian negotiations.	1053
634	The Earl of Perth Rome	Mar. 24	Letter to Sir O. Sargent in reply to No. 632: agrees with his comments.	1055
635	To The Earl of Perth Rome Tel. No. 138	Mar. 25	Sets out H.M.G.'s position regarding recognition of Italian sovereignty in Ethiopia.	1056
636	The Earl of Perth Rome Tel. No. 207	Mar. 25	Reports favourable press comment on Mr. Chamberlain's speech of Mar. 24.	1057
637	Lord Halifax Foreign Office	Mar. 25	Memo. on procedure for recognition of Italian position in Ethiopia.	1057
638	The Earl of Perth Rome Tel. No. 225	Mar. 27	Reports Signor Mussolini's decision to withdraw 1,000 men from Libya each week until peace effectives reached.	1060
639	Mr. Stevenson Foreign Office	Mar. 28	Note for Lord Halifax bringing No. 637 up to date.	1060
640	The Earl of Perth Rome Tel. No. 250	Mar. 29	Reports discussion with Count Ciano regarding signature of Anglo-Italian protocol.	1061
641	To Sir E. Phipps Paris Tel. No. 63 Saving	Mar. 29	Instructs him to inform French Govt. of proposed action concerning recognition of Italian position in Ethiopia.	1062
642	Cabinet Committee on Foreign Policy	Mar. 29	Conclusions concerning the recognition of the Italian position in Ethiopia.	1063

	NO. AND NAME	DATE	MAIN SUBJECT	PAGE
643	To The Earl of Perth Rome Tel. No. 154	Mar. 30	Instructs him to inform Count Ciano of H.M.G.'s intention to put Ethiopian question on League Council agenda: trusts public exchange of letters will not be insisted on.	1069
644	To The Earl of Perth Rome Tel. No. 155	Mar. 30	Refers to No. 643: French Govt. are being informed of H.M.G.'s intentions regarding Ethiopian question.	1070
645	To Sir R. Lindsay Washington Tel. No. 214	Mar. 30	Instructs him to inform Mr. Cordell Hull of progress of Anglo-Italian conversations.	1070
646	Cabinet Conclusions	Mar. 30	Extract concerning conversations with Italy.	1071
647	The Earl of Perth Rome Tel. No. 274	Mar. 31	Refers to No. 643: considers Count Ciano will still insist on exchange of letters regarding Ethiopian question, and may make agreement on Spain dependent on this.	1072
648	To The Earl of Perth Rome Tel. No. 174	Apr. 1	Refers to No. 647: agrees to exchange of letters on Ethiopia and Spain.	1073
649	The Earl of Perth Rome Tel. No. 291	Apr. 2	Reports conversation with Count Ciano regarding text of proposed letters on Ethiopia and Spain.	1074
650	To Sir E. Phipps Paris No. 668	Apr. 2	Records conversation with M. Corbin who was given details of Anglo-Italian negotiations.	1075
651	The Earl of Perth Rome Tel. No. 292	Apr. 3	Reports discussion with Count Ciano of possible extension of Mediterranean declaration of 1937.	1075
652	To The Earl of Perth Rome Tel. No. 194	Apr. 6	States that information on Anglo-Italian talks in *Evening Standard* did not come from H.M.G.	1076
653	To The Earl of Perth Rome Tel. No. 195	Apr. 6	Instructs him to inform Count Ciano that French accession to Mediterranean agreement will not be insisted upon.	1077
654	The Earl of Perth Rome Tel. No. 356	Apr. 9	Reports discussion with Count Ciano of arrangements for signature of Anglo-Italian agreement.	1078
655	The Earl of Perth Rome Tel. No. 373	Apr. 10	Reports conversation with Count Ciano concerning signature and publication of agreement.	1079
656	To The Earl of Perth Rome Tel. No. 233	Apr. 11	Transmits personal message from Mr. Chamberlain to Signor Mussolini on Anglo-Italian agreement.	1080
657	The Earl of Perth Rome Tel. No. 399	Apr. 14	Reports arrangement with Count Ciano for signature of agreement on Sat. Apr. 16.	1080
658	The Earl of Perth Rome Tel. No. 401	Apr. 14	Reports interview with Signor Mussolini, who understood H.M.G.'s position regarding Ethiopian question.	1081
659	The Earl of Perth Rome Tel. No. 402	Apr. 14	Reports Signor Mussolini's appreciative reaction to Mr. Chamberlain's message (No. 656).	1082
660	The Earl of Perth Rome No. 379	Apr. 14	Gives details of Anglo-Italian agreement to be signed on Apr. 16.	1083

NO. AND NAME	DATE	MAIN SUBJECT	PAGE
661 THE EARL OF PERTH Rome Tel. No. 411	Apr. 16	Reports signature of Anglo-Italian agreement. *Note 2.* Implementation of agreement on Nov. 16 1938.	1084
662 THE EARL OF PERTH Rome No. 473	May 16	Transmits memo. describing negotiations resulting in Anglo-Italian agreement.	1084
663 THE EARL OF PERTH Rome Tel. No. 111 Saving	June 4	Reports conversation with Count Ciano: Signor Mussolini anxious for implementation of Anglo-Italian agreement.	1124
664 To THE EARL OF PERTH Rome Tel. No. 350	June 17	Refers to No. 663 and sets out ways of eliminating Spanish question as cause of friction.	1127
665 THE EARL OF PERTH Rome Tel. No. 133 Saving	July 2	Records interview with Count Ciano who handed him memo. from Signor Mussolini on Anglo-Italian agreement.	1129
666 To THE EARL OF PERTH Rome Tel. No. 48 Saving	July 9	Refers to No. 665 and comments unfavourably on Signor Mussolini's memo.	1133
667 MR. SYERS 10 Downing St.	Aug. 4	Note of Mr. Chamberlain's interview with Signor Crolla on Aug. 3 regarding settlement of the Spanish question and the Anglo-Italian agreement.	1136
Appendix I	Feb. 19	Extract from Mr. Chamberlain's diary.	1138
Appendix II	Feb. 19	Conclusions of Cabinet meeting on relations with Italy.	1145

CHAPTER I

British proposals for reconstruction of Spanish supervision scheme: plans for Anglo-Italian conversations: rumours of aggressive German intentions in Europe

July 1–August 25, 1937

No. 1

Sir E. Drummond[1] *(Rome) to Mr. Eden*[2] *(Received July 1, 9.30 a.m.)*

No. 365 Telegraphic [*W 12637/7/41*]

ROME, *July 1, 1937, 5.45 a.m.*

Your telegram No. 223.[3]

I saw Count Ciano this evening.[4] When I mentioned Spain he said that although he would gladly listen to anything I had to say he feared that he would not be able to give me any reply because he had not yet receive[d] Count Grandi's[5] report of yesterday's proceedings at the Non-Intervention Committee[6] and a private letter from the latter. Signor Crolla[7] was on his way from London with them. Further, Italian Government was still in consultation with the German Government and they had not yet reached any decision as to their future line of action.

I then handed to him an aide-mémoire explaining that it contained instructions which I had received from His Majesty's Government who attached the greatest importance to this question of control, particularly as they were most anxious to prevent the conflict from spreading beyond the borders of Spain.

Count Ciano said that having read it he feared that it would be quite impossible for Italian or German Governments to accept Anglo-French proposals.[8] He thought Herr von Ribbentrop[9] had given sufficient reasons in his speech at the meeting of the Non-Intervention Committee yesterday when he asked whether England and France would agree to the control being exercised solely by German and Italian ships.

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[1] H.M. Ambassador at Rome.

[2] Secretary of State for Foreign Affairs.

[3] Volume XVIII, No. 665.

[4] i.e. June 30. Count Ciano was Italian Minister for Foreign Affairs.

[5] Italian Ambassador at London.

[6] See Volume XVIII, No. 665, note 3.

[7] Counsellor at the Italian Embassy in London.

I said that in that case His Majesty's Government sincerely hoped that Italian and German Governments would put forward proposals of their own. Incidentally I asked whether control exercised by smaller neutral naval Powers would be acceptable and Count Ciano said that it would not. The Minister for Foreign Affairs repeated that Italian and German Governments had not yet determined their line of action. As however I had seen fairly definite indications in the Italian press this evening that Germany and Italy might be considering proposals based on granting of belligerent rights to General Franco[10] I thought it well to say that I felt sure that my Government would not be able to consider any scheme which was based on the granting of such rights to General Franco at the present time or at the present stage. Nothing had occurred in the conflict which led us to change our policy in this respect.

Count Ciano stated that this was a very serious observation. Did it come from me personally or was it the view of His Majesty's Government. I said that I happened to know that this was His Majesty's Government's view. Count Ciano remarked that in this case he did not see what could be done and that there seemed to be a deadlock. I replied that we had put forward proposals which were apparently not acceptable to Italy and Germany. I wanted to avoid Italy and Germany putting forward proposals which we could not accept. Incidentally it really would not be fair that Italy and Germany should endeavour to utilize their withdrawal from Control Committee to try to force the French and ourselves to grant belligerent rights to General Franco. Surely the granting of belligerent rights was quite apart from the question of control. The Non-Intervention Committee had decided some time ago that control was necessary and therefore it seemed to me that establishment of some form of control was admitted as essential by Italy and Germany.

Count Ciano stated that he considered a strict form of control was necessary; indeed he had told Count Grandi that it would be impossible to discuss withdrawal of volunteers until control question had been settled. It was useless to withdraw volunteers from one part of Spain and to find them slipping back by a side door. The whole question of control ought to be reviewed. Except as regards sending of men it had become practically a farce. Ships were able to evade control because only power that an observer had was to report to London Committee and by the time that investigations had taken place the ship had probably reached her destination; there was also great abuse of flags of certain foreign countries. I observed that if Italian Government's real desire was to tighten up control I felt sure that they would find a most willing collaborator in His Majesty's Government. Count Ciano then returned to belligerent rights question and said that he thought our position as regards General Franco was the same as that adopted by Italian and German Governments towards Valencia. They considered Franco to be rightful Spanish Government and Valencia as rebels. They had no consular or diplomatic contact with the latter. We and the French looked upon Valencia as rightful Spanish Government and considered General Franco as a rebel. Therefore our positions corresponded. I think what he intended by these last remarks was to show that a bargain might be struck; if we and the French accorded belligerent rights to Franco, Italy and Germany would be willing to accord them to Valencia but this is rather guesswork.

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[8] The essential point of these proposals was that the British and French Governments should take over the operation of the Naval Observation Scheme in respect of the whole of the coasts of Spain following the German and Italian withdrawal: cf. Volume XVIII, Nos. 654, 661, note 1, and 665.

[9] German Ambassador at London.

[10] General Francisco Franco, generalissimo of the Insurgent forces, was proclaimed Head of State in Nationalist Spain on October 1, 1936.

Finally Count Ciano emphasized again that he could not give me any definite answer regarding alternative proposals for reasons he had mentioned at the beginning of the conversation. When I pressed him about Friday's meeting[11] he said that he doubted whether the two Governments would be ready at that time with any proposals.

I am sorry to say that he did not respond at all to my insistence on our desire to avoid the conflict spreading outside Spain. Usually he has done so but this time he did not volunteer any remarks on the subject.

[11] i.e. the fifty-sixth meeting of the Chairman's Sub-Committee of the Non-Intervention Committee, to be held on Friday, July 2: see No. 7, note 13 below.

No. 2

Sir E. Phipps[1] *(Paris) to Mr. Eden (Received July 1, 4.40 p.m.)*

No. 124 Telegraphic: by telephone [*W 12644/7/41*]

Immediate PARIS, *July 1, 1937*

I read to Monsieur Léger[2] this morning your telegram No. 118 to Berlin[3] and your telegram No. 121 to me.[4] He read to me instructions sent last night to Berlin, Rome, Lisbon and all capitals of the Powers represented on committee of non-intervention, all of which were repeated last night to French Ambassador in London for communication to you.[5]

I found Monsieur Léger most pessimistic. He says that French Ambassador in Berlin[6] reports distinct change for the worse there in the last few days. Dr. Goebbels[7] and extremists seem to have got the upper hand and General Göring[8] seems to have joined them. Monsieur Léger fears that Signor Mussolini[9] has succeeded in persuading Herr Hitler[10] to agree definitely to a forward policy in Spain regardless of all consequences. They doubtless both feel that Spain is a subject which finds public opinion in Great Britain divided, and that it is therefore an excellent ground for a trial of strength, with greatly increased prestige for them in case France and Great Britain give way.

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[1] H.M. Ambassador at Paris.

[2] Secretary General of the French Ministry for Foreign Affairs.

[3] Volume XVIII, No. 665.

[4] See *ibid.*, No. 669, note 5.

[5] See *D.D.F.*, Series 2, vol. vi, Nos. 155 and 156. M. Corbin was French Ambassador at London.

Monsieur Léger says that the French Government feel strongly that we must proceed with our plan for filling the gap in naval control without delay, whether Germany and Italy agree tomorrow or not,[11] and that we should inform them that if they have any better proposals to make we are ready to consider them. He told me that French public and parliamentary opinion is hardening over Spain, and that any attempt to pursue a *less* effective policy of non-intervention than hitherto would cause another Government crisis here as the Socialists would rather resign than agree to it. This is confirmed to me from another source.

I spoke to the President of the Council[12] last night after a banquet, but found that he was so exhausted after his all-night sittings and Cabinet-making that he took no interest in foreign affairs and admitted that he was not 'au courant'. I have therefore asked to see Minister for Foreign Affairs[13] this afternoon.

[6] M. François-Poncet.

[7] Reich Minister for Propaganda.

[8] Reich Air Minister and Commissioner for the Four Year Plan.

[9] Head of the Italian Government.

[10] Chancellor of the German Reich.

[11] i.e. at the Chairman's Sub-Committee meeting: see No. 1, note 11.

[12] M. Chautemps, head of the French Government appointed on June 23, 1937.

[13] M. Delbos.

No. 3

Sir N. Henderson[1] (Berlin) to Mr. Eden (Received July 2, 9.30 a.m.)[2]

No. 160 Telegraphic [*W 12649/7/41*]

BERLIN, *July 1, 1937, 10 p.m.*

Your telegram 121 to Paris.[3]

German Counsellor[4] returns to London tonight with instructions on following lines.

German Government will not return to naval control.

[1] H.M. Ambassador at Berlin.

[2] The time of receipt was given on the filed copy of this telegram as 9.30 p.m., apparently in error.

[3] See Volume XVIII, No. 669, note 5.

[4] Dr. E. Woermann.

German Government will not agree to sole naval control by Great Britain and France.

German Government propose both Spanish parties be recognised as belligerents but that the non-intervention Committee shall continue to function and that all obligations hitherto agreed thereunder shall remain in force.

Further that all members of the Committee should make official declaration of neutrality and establish list of contraband which none would export to belligerents.

Repeated to Paris, Rome.

No. 4

Sir N. Henderson (Berlin) to Mr. Eden (Received July 2, 9.30 a.m.)

No. 161 Telegraphic [*W 12650/7/41*]

Immediate BERLIN, *July 1, 1937, 10 p.m.*

My immediately preceding telegram.[1]

After discussion with Baron von Neurath[2] on lines of your conversation with the German Ambassador yesterday[3] His Excellency admitted that the German proposals were not likely to be enthusiastically received in London but urged that they formed at least a basis of discussion and he laid much stress on continuance of non-intervention committee with all its past obligations. This meant at least control of some sort. When I spoke about gap in naval control Baron von Neurath observed that it had been absolutely worthless and that during the whole period German ships had not had to deal with one single case in consequence of control being inapplicable to Mexican and other flags. From the German point of view therefore the gap made no difference at all.

Baron von Neurath added that Italy had only agreed with some reluctance to the present German proposals. He mentioned that all Italian ships were now being withdrawn from Spanish waters and that with both Italian and German ships out of naval control there was today much less chance than before of a major incident.[4]

Repeated to Paris and Rome.

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[1] No. 3.

[2] German Minister for Foreign Affairs.

[3] See Volume XVIII, No. 669.

[4] In a further telegram, No. 167 of July 5, Sir N. Henderson affirmed his view that the German proposals reported in telegram No. 161 were put forward as a basis for discussion and were 'not in any sense "a trial of strength" and German Ambassador in London was in fact instructed to consider any counter proposals which might be made'. Referring to Paris telegrams No. 124 (No. 2) and No. 125 (No. 6 below) he said: 'In my opinion this is *not* a case on which a strong stand as advocated by French Ambassador would be justifiable. Ground is not good enough.'

No. 5

Sir E. Drummond (Rome) to Mr. Eden (Received July 2, 9.30 a.m.)

No. 368 Telegraphic [*W 12688/7/41*]

ROME, *July 1, 1937, 10.30 p.m.*

My telegram No. 365.[1]

My French colleague[2] told me this afternoon that he had instructions to make an immediate *démarche* with the Italian Minister for Foreign Affairs about non-intervention. He was not to do this however until he had concerted with me. He then read me out general lines of his instructions which were considerably more detailed but on analogous lines to your telegram No. 223[3] on which I acted yesterday evening. Main difference was that he was to insist on provisional and immediate acceptance at any rate of Anglo-French proposals pending some more satisfactory solution if one could be found. His instructions also emphasised that if the Italian Government did not accept proposals dangers to peace would occur and French vital interests might eventually be threatened.

Instructions also contained an expression of surprise that the Italian Government should have taken up the attitude they had done since they had not been affected by *Leipzig* incident[4] and might have played a moderating part.

I gave Monsieur Blondel some account of the conversation I had had with Count Ciano yesterday and he promised if Minister for Foreign Affairs said anything more to him in his interview that he would let me know about it.[5]

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[1] No. 1.

[2] M. Jules Blondel, French Chargé d'Affaires at Rome.

[3] Volume XVIII, No. 665.

[4] See *ibid.*, No. 627.

[5] Cf. *D.D.F.*, *op. cit.*, Nos. 156 and 166.

No. 6

Sir E. Phipps (Paris) to Mr. Eden (Received July 1, 10.50 p.m.)

No. 125 Telegraphic: by telephone [*W 12645/7/41*]

Most Immediate PARIS, *July 1, 1937*

My telegram No. 154 (? 124).[1]

I saw Minister for Foreign Affairs this evening after he had been for two hours and a half explaining position to Commission for Foreign Affairs of the Chamber.

Monsieur Delbos heard from French Ambassador at Berlin just before the meeting of the Commission that Baron von Neurath had told M. Poncet that Germany would tomorrow definitely decline French and British proposals to close gap in naval control even if German and Italian observers were to be allowed on board our ships.

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[1] No. 2.

French Government has instructed French Ambassador to propose to you in this event that we should proceed with our proposals, taking neutral observers on board, regardless of German, Italian and Portuguese abstention. If Germany, Italy and Portugal absolutely oppose this plan we should declare publicly that we resume complete liberty of action, leaving the responsibility for the breakdown of non-intervention on those Powers. In that case control plan now working on Franco-Spanish frontier would of course cease.

M. Delbos said that the Commission unanimously approved this course of action as it was felt that any further retreat would be humiliating and indeed dangerous and likely to encourage even more unreasonable demands by Germany and Italy.

M. Delbos does not take so pessimistic a view of the matter as M. Léger. He thinks that when Herr Hitler and Signor Mussolini see that we do not mean to surrender there will be opportunities for some compromise to be worked out later. It seems that Herr Hitler is in a much less excited mood, and visited with the French Ambassador a French exhibition at Berlin.

M. Delbos quite agrees with the substance of your telegram No. 121.[2] He feels strongly that there can be no question of granting belligerent rights until all foreign volunteers have left.

Repeated to Berlin and Rome.

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[2] Volume XVIII, No. 669, note 5.

No. 7

Conclusions of the sixteenth meeting of the Cabinet Committee on Foreign Policy, held in the Prime Minister's Room, House of Commons, on July 1, 1937, at 9.30 p.m.

[*W 13124/7/41*]

2, WHITEHALL GARDENS, S.W.1,[1] *July 1, 1937*

PRESENT: Mr. Neville Chamberlain, Prime Minister (*in the Chair*); Sir J. Simon, Chancellor of the Exchequer; Viscount Halifax, Lord President of the Council; Viscount Hailsham, Lord Chancellor; Sir S. Hoare, Home Secretary; Mr. M. MacDonald, Secretary of State for Dominion Affairs; Mr. W. Ormsby Gore, Secretary of State for the Colonies; Mr. O. Stanley, President of the Board of Trade; Mr. A. Duff Cooper, First Lord of the Admiralty; Viscount Cranborne, Parliamentary Under Secretary of State for Foreign Affairs; Sir M. Hankey, Secretary to the Cabinet.

The situation in Spain. Before the Meeting the following two communications, which had arrived that evening, were handed round:

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[1] The address of the Cabinet secretariat, and also of the N.I. Committee.

A telegram from His Majesty's Ambassador in Paris, No. 124, dated July 1st, 1937, 4.40 p.m.[2]

A translation of a communication from the French Embassy dated July 1st.[3]

The Prime Minister said he had thought it advisable to summon a Meeting of the Cabinet Committee on Foreign Policy to take stock of the situation before the Meeting of the Non-Intervention Committee fixed for the following morning.

Lord Cranborne, who was representing the Secretary of State for Foreign Affairs (absent on official duty), gave a summary of events since the last Meeting of the Cabinet.

On the 30th June the Secretary of State for Foreign Affairs had sent telegrams[4] to Paris (No. 121), Berlin (No. 121) and to Rome (No. 225) recording the salient parts of a conversation he had had with the German Ambassador that evening regarding Spain. At that meeting the German Ambassador had asked whether it would be possible, while admitting that the Naval patrol could not be agreed upon, to decide to continue non-intervention and combine it with belligerent rights. The Secretary of State had replied that it would be difficult to convince the world of the efficacy of a non-intervention scheme that was not supervised. So far as belligerent rights were concerned it had to be remembered that the essential feature which differentiated the Spanish dispute from earlier civil wars was the extent of foreign intervention. If all foreigners could be withdrawn from Spain there might be much to be said for a combination of a non-intervention scheme with the grant of belligerent rights; but it would be difficult for His Majesty's Government to agree to the granting of belligerent rights, which must seriously affect their trade, when the previous intervention of foreign Powers in Spain could create no confidence that General Franco would be unassisted in the exercise of those belligerent rights at sea. He had added that if the Non-Intervention Committee failed to reach agreement on the proposals to fill the gap in the Naval control we should have to reserve our position in respect of non-intervention as a whole. He had concluded that everything depended on whether or not the German Government and other Governments wished to make a real effort to deal with the Spanish problem. If they were prepared to leave the Spaniards to fight the matter out for themselves and would cease to intervene, he was convinced that a solution could be found, perhaps by non-intervention with a modified form of control, and belligerent rights; but so long as foreign volunteers remained in Spain and foreign intervention continued, he did not believe that this was an acceptable solution. He then gave a summary of the attitude of the different Powers.

So far as Germany was concerned, no official reply had yet been received from Berlin. His Majesty's Ambassador in Berlin was to see Baron von Neurath that evening.[5] The Secretary of State had seen the German

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[2] No. 2.

[3] See Appendix to this document.

[4] See Volume XVIII, No. 669, note 5.

[5] Cf. Nos. 3 and 4.

Ambassador and told him that there could be no belligerent rights combined with control of the land frontiers while the volunteers remained in Spain. This would make the situation unfair, since General Franco could get all he wanted by sea, whereas Valencia would be put at a disadvantage as the French frontier would remain closed.

So far as Italy was concerned, a telegram had been received from His Majesty's Ambassador at Rome, dated 30th June (No. 365)[6], containing Count Ciano's first reaction to our proposal. The Italian Foreign Minister had expressed the view that it would be impossible for the Italian or German Governments to accept the Anglo-French proposals. Incidentally he had dismissed the idea of control being exercised by the smaller Naval Powers. The Ambassador, who had seen indications in the Italian Press that Germany and Italy might be considering the grant of belligerent rights, told Count Ciano that he felt sure that His Majesty's Government would not be able to consider any scheme based on the granting of such rights at the present time or at the present stage. Count Ciano remarked that in this case he did not see what could be done, as there seemed to be a deadlock. The Ambassador had pointed out that it would not be fair that Italy and Germany should endeavour to use their withdrawal from control to try and force the French and ourselves to grant belligerent rights to General Franco. After Count Ciano had criticised the failure of the present system of control, the Ambassador had observed that if the Italian Government wished to tighten it up they would find a willing collaborator in His Majesty's Government. Returning to the question of belligerent rights, Count Ciano had hinted that a bargain might be struck whereby if we and the French accorded belligerent rights to General Franco, Italy and Germany might be willing to accord them to Valencia. Count Ciano, however, had refused to give any definite answer regarding alternative proposals. He had not responded at all to the Ambassador's insistence on our desire to avoid the conflict spreading outside Spain.

(The Lord President of the Council entered at this point.)

The French view was contained in His Majesty's Ambassador's telegram No. 124.[7] The Ambassador had found M. Léger most pessimistic. The French news from Berlin was that there was a change for the worse. Dr. Goebbels and the extremists seemed to have got the upper hand, and General Goering seemed to have joined them. M. Léger feared that Signor Mussolini had persuaded Herr Hitler to adopt a forward policy in Spain regardless of consequences, and that they felt that Spain was a subject on which public opinion in Great Britain was divided and that it was therefore an excellent ground for a trial of strength, with increased prestige to them if France and Great Britain gave way. M. Léger had added that the French Government felt strongly that we must proceed with our plan for filling the gap in Naval control without delay, whether Germany and Italy agreed or not, and that we should inform them that if they had any better proposals to make we were ready to consider them. French public and Parliamentary opinion was hardening over Spain, and any attempt to pursue a less effective policy of non-intervention than hitherto would cause another Government crisis, as the Socialists would rather resign than agree to it. The Ambassador confirmed this from another source. The Ambassador's report was reinforced by the communication from the French Embassy.[3] The French Government had no intention of considering the grant of belligerent rights, and did not even wish to consider a solution in which the grant of belligerent rights was used as a bargaining counter. It maintained its opinion that we ought to insist energetically on putting the Franco-British plan into effect without subordinating it to the conditions which other Governments wished to impose upon us in this respect. By insisting on our proposals and prevailing upon the Committee of Non-Intervention to approve them we should, in their view, escape the moral defeat which the Germans and Italians wished to inflict upon us. If we could secure the victory for the Franco-British system of control we should be able to keep the Spanish question under our direct control. French and British ships would surround the whole peninsula, the importation of arms and the arrival of volunteers from Italy and Germany would be considerably impeded. If, however, importations of arms and the arrival of volunteers were established by the passage of suspicious ships, we should then naturally have to re-examine the whole question of non-intervention.

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[6] No. 1.

[7] No. 2.

The line which the Secretary of State for Foreign Affairs proposed should be taken was as follows:

At the Meeting of the Non-Intervention Committee on Friday[8] Lord Plymouth[9] should ask the German and Italian representatives whether they had anything to report. He should repeat the proposals already made by His Majesty's Government in the telegrams to Berlin and Rome. He should make clear that we were anxious to avoid a breakdown of the non-intervention scheme, and should intimate that we were willing to carry out the patrol if the German and Italian Governments were willing to continue to co-operate in the scheme so far as their merchant ships were concerned, and should express the hope that they would agree in this proposal. He should make clear that if they did not agree we did not see how the non-intervention scheme could be carried on. If they could not agree he hoped that they had at any rate alternative proposals to put forward.

There were three possible contingencies at the Meeting of the Non-Intervention Committee on the morrow:

First, the German and Italian representatives might make no counter proposals. In that event it seemed probable that there would be an adjournment in order that the situation might be referred back to the Governments.

Second, the German and Italian representatives might produce the proposal they were believed to be contemplating for a recognition of belligerent rights combined with a continuation of the control system. In that event the Secretary of State for Foreign Affairs proposed that we should not agree.

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[8] July 2: see note 13 below.

[9] Chairman of the N.I. Committee.

Third, the German and Italian representatives might propose the recognition of belligerent rights but without control. The French Government were likely to refuse this. In that event the Secretary of State proposed that Lord Plymouth should make clear that we could hold out no hope that the proposal could be acceptable at the present time and in present circumstances, but should intimate that he was willing to consult the Government on the subject.

The Prime Minister remarked that the situation was somewhat difficult. He drew attention to a recent article in the *Popolo D'Italia*[10] and asked if it was believed by the Foreign Office to have been written by Signor Mussolini.

Lord Cranborne said that that was the general belief as the newspaper was known as Signor Mussolini's organ.

The Chancellor of the Exchequer said that this article, combined with Sir Eric Drummond's latest telegram, gave the impression that Signor Mussolini was working for a break.

The Home Secretary thought it was important upon our side to keep the conversations going as long as we could. There was always the possibility that Herr Hitler and the more moderate elements in Germany might modify their position. The idea proposed by the French of the French and ourselves continuing the patrol alone after Germany and Italy had withdrawn from the non-intervention scheme was quite impossible.

The Prime Minister agreed. Apart from its undesirability this course was impracticable. It meant defying the Germans and Italians.

The Home Secretary added that there would be the gravest risk of an 'incident'.

The First Lord of the Admiralty thought it was extremely unlikely that the German and Italian Governments would agree to co-operate in any way, but nevertheless it would be useful to gain time. He did not see that the continuance of the non-intervention scheme without control was impossible. After all, non-intervention had been carried on for a long time before the Naval patrol had been instituted. Even the patrol scheme had not made non-intervention effective, but there was no essential reason why the scheme should [? not] be effective or should be useless if it was not fully effective.

Lord Cranborne thought that the Secretary of State's feeling about this was that the situation in Parliament would be extremely difficult if non-intervention were continued without the patrol scheme. We had admitted that it was not very effective even with the patrol scheme, and to withdraw that safeguard and still to continue the scheme would be difficult to defend.

The Chancellor of the Exchequer drew attention to one of the three proposals that might be made by the German and Italian representatives at the Non-Intervention Committee on the morrow, namely, that belligerent rights might be recognised while retaining control.

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[10] See No. 12 below.

Lord Cranborne pointed out that one of the objects of the non-intervention scheme had been to avoid belligerent rights.

The First Lord of the Admiralty doubted whether Sir Eric Drummond had been right in intimating to Count Ciano that the Cabinet were unable to consider any scheme which was based on the granting of belligerent rights to General Franco.

Lord Cranborne pointed out that the Ambassador had qualified it by stating 'at the present time or at the present stage'.

The Home Secretary agreed with the First Lord, and drew attention to a suggestion he had made at the last Meeting of the Cabinet that it might be desirable to give His Majesty's Ambassadors in Rome and Berlin rather more background as to the Cabinet's view and to intimate that their attitude on the question of belligerent rights was not quite so rigid as had been suggested in the telegrams to Berlin (No. 118)[11] and Rome (No. 223)[12] of the 29th June.

Lord Cranborne said that the Secretary of State for Foreign Affairs had thought it better to do what he could to deter the German and Italian Governments from proposing belligerent rights now because we could not accept this course at their dictation and would prefer to keep open the possibility of proposing it ourselves later, if desirable.

The Secretary of State for the Colonies pointed out that there had been general agreement that we could not accept the granting of belligerent rights 'at the present time and at the present stage'.

Some discussion then took place as to whether Germany had yet granted belligerent rights to General Franco.

The Prime Minister pointed out that though Germany and Italy had both recognised General Franco as the Government of Spain, they had not accorded belligerent rights, and that the German Government had intimated that they did not like German ships to be stopped even by General Franco's ships.

The Chancellor of the Exchequer pointed out that the grant of belligerent rights was an action that each Government could take quite independently. On what ground, therefore, would Herr Ribbentrop be justified in proposing it?

The Lord Chancellor supposed that Herr Ribbentrop would merely make the suggestion that all the Governments on the Non-Intervention Committee should agree to adopt it.

The Chancellor of the Exchequer pointed out that to grant belligerent rights and to retain the remainder of the non-intervention scheme would mean that the seas would be open for General Franco to receive assistance of all kinds, but the French frontier would be closed. It would therefore operate very much to the benefit of General Franco. The whole situation was a disagreeable one and seemed to be working to a crisis.

The Lord Chancellor said it looked as though the non-intervention scheme was going to break down. He agreed, however, that the Secretary of

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[11] Volume XVIII, No. 665.

[12] See *ibid.*, note 1.

State for Foreign Affairs should continue his efforts on the lines that Lord Cranborne had suggested.

The Prime Minister said he thought there was general approval to the line proposed by the Secretary of State for Foreign Affairs. It was impossible to accept either the probable German and Italian proposals or the French proposal 'that we ought to insist energetically on the putting into effect of the Franco-British plan without subordinating it to the conditions which other Governments wish up [to] impose upon us in this respect'.

The Committee agreed

(a) That the Secretary of State for Foreign Affairs should authorise Lord Plymouth, at the Meeting of the Non-Intervention Committee on the morrow, to begin by asking the German and Italian representatives whether they had anything to report: to repeat the proposals already made by His Majesty's Government that the British and French Governments should assume responsibility for filling the gap in the Naval control scheme occasioned by the withdrawal of the German and Italian Naval units and to consider favourably the placing of neutral observers on board their ships. He should make clear that His Majesty's Government did not wish to see the non-intervention scheme break down, and that they would be prepared to carry out the control if Germany and Italy would continue to co-operate in the scheme so far as their merchant ships were concerned, and should express the strong hope that the two Governments would agree to this course. He should intimate that without some form of control the non-intervention scheme was impossible. His general aim should be to gain time. Accordingly, if the German and Italian representatives made no proposal, the best course would be to adjourn the Meeting in order that the representatives might refer back to their respective Governments. If the German and Italian representatives should propose belligerent rights combined with a continuation of the control system (including the patrol of land frontiers) he should make clear that we could not agree. If belligerent rights without a continuation of the control scheme should be suggested, he should intimate that we could hold out no hope that this would be acceptable at the present time and in present circumstances, but should state that he was willing to consult the Government:

(b) That the French proposal 'that we ought to insist energetically on the putting into effect of the Franco-British plan without subordinating it to the conditions which other Governments wish to impose upon us in this respect' could not be accepted.[13]

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[13] At the fifty-sixth meeting of the Chairman's Sub-Committee of the N.I.C., held at 11 a.m. on Friday, July 2, the Chairman, Lord Plymouth, spoke as suggested in the first part of Conclusion (a) above. Herr von Ribbentrop then made a joint statement on behalf of the German and Italian Governments, to the effect that they were resolved to maintain the principle of non-intervention, they did not consider the Anglo-French proposals to be a satisfactory solution of the existing problem, and they proposed that all interested Powers

should agree to grant to the two parties in Spain belligerent rights. They also suggested that 'the observation of the land frontiers of Spain as well as the system of supervision both in the ports and with the observers embarked on board of the ships flying the flag of the non-intervention countries should be maintained'. Finally, they would welcome any further suggestions 'on these lines'.

APPENDIX TO No. 7

Communication from French Embassy, July 1, 1937

Translation

The French Government has no intention whatever of considering the grant of belligerent rights and does not even wish to consider a solution in which the grant of belligerent rights should be used as a bargaining counter. In the second place it maintains its opinion that we ought to insist energetically on the putting into effect of the Franco-British plan without subordinating it to the conditions which other Governments wish to impose upon us in this respect.

Over and above the Spanish problem there arises a general question—one of a psychological nature. The Italians and the Germans wish to impose a policy upon us. Partial concessions will not satisfy them. By insisting on our proposals and by prevailing upon the Committee to approve them, we shall escape the moral defeat which the Germans and Italians wish to inflict upon us.

Moreover, if we can secure the victory for the Franco-British system of control we shall be able to keep the Spanish question under our direct control. French and British ships will surround the whole peninsula. The importation of arms and arrival of volunteers from Italy and Germany will be considerably impeded.

If, however, the existence of such importations and arrivals were established not by means of observers, who will no longer be available, but the passage of suspicious ships, we should then naturally have the right to re-examine the whole question of non-intervention.

No. 8

Letter from Mr. W. E. Dodd[1] to Sir E. Phipps[2]

[C 5541/3/18]

Confidential BERLIN, *July 1, 1937*

My dear Sir Eric,

I do not know whether you and I can do anything to limit the pressure in the direction of war or not, but I venture the expression of my judgment on certain matters which you may give in strictest confidence.

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[1] U.S. Ambassador at Berlin.

[2] Sir E. Phipps passed this letter to Sir R. Vansittart, Permanent Under Secretary of State for Foreign Affairs, and asked for guidance as to the terms of a reply.

1. The pressure here for English approval of German control, and actual annexations, of the Danube-Balkan zone is greater now than at any time since my residence here began. I can see how English public opinion might even favor that rather than a risk of war. Your Ambassador here has said more than once to me that English agreement for such 'Bismarckian' expansion is the proper thing[3] and even asked if the United States would not approve such a move and join a moral triple alliance. I could not give any intimation that the Roosevelt[4] régime would think of such a combination; nor, in my judgment, would a reactionary régime in the United States accept such scheme.

Incidental to this Near East objective here is the Spanish situation. If you have time to read articles in our *Foreign Affairs* quarterly, last number, which treat Spain, Italy and Latin America, you will see something of the Franco-Mussolini objectives. Regardless of the brutalities of both sides in Spain, I can not help thinking English and democratic fates depend a great deal on the leaving to the Spaniards the solution of their affairs. If Mussolini comes into control there, Hitler will almost surely take over Austria, Czechoslovakia and Hungary. That would be half the success hoped for by Ludendorff in 1917 when he insisted on the German submarine blockade of England—and what would Nazi domination of Europe mean for England?

You know far better than I what your Government in London plans to do. My feeling is that England, the United States, France and the smaller democracies of Europe might prevent this grave danger, if they could find a way to co-operate commercially and stabilize their finance. Such a co-operation would be a peaceful remedy and, with Latin American help, there would be a fair chance of stopping the war drift. I know there are rivalries between our countries, but think of the world-wide blessing of their mutual assistance. If some approach toward free trade could be made the standard of living would rise and if arms pressure could be stopped financial disasters might be avoided. I do not know what van Zeeland will be proposing when he returns;[5] but I hope the very commercial relations I have contemplated.

Once more, you and I may not be able to do anything but we may at least let our convictions be known to our governments. Pardon so long a bother [*sic*]. All good wishes to you in your difficult situation.[6]

Yours sincerely,
William E. Dodd

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[3] In *Ambassador Dodd's Diary 1933–1938* (London, 1941), Mr. Dodd refers to these and other statements by Sir N. Henderson. A letter from Sir Nevile, written on the publisher's invitation in January 1941, describes the statement as to his attitude as 'pure balderdash', and suggests that Mr. Dodd had 'asserted to be my desire' what was 'merely a statement of Germany's clearly defined aims' (p. 426).

[4] Franklin D. Roosevelt, President of the United States.

[5] See No. 23 below. M. van Zeeland was Prime Minister of Belgium.

[6] Mr. W. Strang, Head of the Central Department of the Foreign Office, minuted on August 3 that this was 'not an easy letter to answer'; he thought that Sir E. Phipps should in his reply ignore Mr. Dodd's reference to Sir N. Henderson, and otherwise confine himself to generalities. Sir R. Vansittart wrote on August 4: 'I do not like the suggested reply to Sir E. Phipps. I think it

is clear that Sir N. Henderson has been talking indiscreetly & wrongly. Mr. Dodd is not likely to have misunderstood him "more than once", particularly as this sort of language accords with what Sir N. Henderson has written in papers that I have seen. It is quite disastrous that he should convey this sort of thing to the American Ambassador, who may take it as something more than another of Sir N. Henderson's "gaffes" . . . I shd. like to speak to Mr. Strang on this; but it is a melancholy reflection that one shd. have to spend any time in thinking how to protect ourselves against our own Ambassador.'

After conversation with Sir R. Vansittart, Mr. Strang submitted on August 7 drafts of letters to Sir N. Henderson, Sir R. Lindsay, H.M. Ambassador at Washington, and Sir E. Phipps. The first recited various statements by Sir N. Henderson, asked him to exercise the greatest prudence and circumspection in future, and to come to London, preferably in the first week of September, for a talk with Mr. Eden. Mr. Eden decided, however, that the proposed letters to Sir N. Henderson and Sir R. Lindsay should not be sent, but that he should see Sir N. Henderson in London as suggested. A note of September 3 by Mr. F. R. Hoyer Millar, Assistant Private Secretary (Diplomatic) to Mr. Eden, read: 'S. of S. spoke to Sir N. Henderson yesterday.' Sir E. Phipps agreed readily to Sir R. Vansittart's suggestion of August 11 that he should say nothing more to Mr. Dodd on the subject of his letter. All these papers are filed at C 5541/3/18. See also Mr. Eden's minute of October 27: No. 273 below.

No. 9

Letter from Sir E. Drummond (Rome) to Sir O. Sargent[1]

[C 4923/3976/18]

ROME, *July 1, 1937*

My dear Sargent,

My American colleague[2] told me today the following story which may be of some interest to you.

He had had yesterday a long talk with von Hassell[3] and had said laughingly to the latter that he assumed that the Italian Government were rather pleased with the postponement of von Neurath's visit to London.[4] Hassell had said that he doubted whether this was so, and then gave Phillips the following information.

He had suddenly received a telegram from Berlin instructing him to inform the Italian Government that the British invitation for Neurath to visit London had been received and accepted. Von Hassell went down to see Ciano and gave the latter the substance of the telegram. Ciano was apparently dumbfounded, and von Hassell was more than a little sore that the invitation had been accepted without any consultation with Rome. However, the telegram also said that when Neurath was in London he would do all he could to ease Anglo-Italian relations and when Ciano heard of this his irritation largely vanished and after a discussion with von Hassell stated that he thought after all the visit might be a good thing and produce useful results.

Yours ever,

ERIC DRUMMOND

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[1] An Assistant Under Secretary of State in the Foreign Office.

[2] Mr. William Phillips.

[3] German Ambassador at Rome.

[4] See Volume XVIII, Nos. 630 and 633.

No. 10

Letter from Sir N. Henderson (Berlin) to Mr. Eden

[*C 4958/270/18*]

Personal BERLIN, *July 1, 1937*

Dear Secretary of State,

In a recent private letter (June 22nd)[1] I mentioned an impression I had got in regard to Hitler's restiveness on the subject of the Anglo-German Naval Agreement.

General Göring came to lunch here the other day with his chief A.D.C., Colonel Bodenschatz. The accompanying interesting account of a conversation which the latter had on that occasion with Kirkpatrick[2] lends point to the above impression.

The German controlled Press constantly refers to that agreement as the definite proof of Germany's good-will and good intentions, and is always asking when Great Britain is going to respond to that gesture.

I doubt whether Hitler would go so far as to denounce the agreement today or tomorrow on the ground that it had been made as a basis for an understanding which Great Britain refuses to implement. Germany is too busy with land rearmament (and is handicapped even in that by a shortage of raw material) to make an empty threat of that kind at the moment. It would be materially impossible for her to begin now on a big shipbuilding programme. Even to keep up with a third of our new programme will tax her present resources. Nevertheless I have an uneasy feeling that Hitler often feels like denouncing the agreement.

Possibly I am unduly uneasy for the very reason that I regard the Anglo-German Naval Agreement as the foundation and test stone of any present and future understanding with Germany. I am quite alive to the arguments about the air being as or more important than the sea, but, even so, it is the two together which would make the menace doubly formidable. Whether Spain has strengthened the argument that a war can be definitely won in the air alone or not is an open question and I fancy the Germans are just as uncertain about this as we probably are.

On the other hand, I am very disinclined to believe in the reality of Germany's aggressive intentions against Great Britain unless and until she goes back on the Naval Agreement. If she does, either before or after an understanding, it will then, but in my opinion only then, be quite certain what her ultimate intentions are. Otherwise, risk though there be, it has got to be faced and we have got to trust her.

All this is by the way. The point I want to make is that Hitler regards the Anglo-German Naval Agreement as a real sacrifice and contribution on the part of Germany. It is a sacrifice which touches him personally. If we attach value to the agreement, we must be on the watch and do our best to avoid giving him any excuse to scrap it.[3]

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[1] Not traced in F.O. archives: an extract from this letter containing the 'impression' referred to by Sir N. Henderson is filed at C 4958/270/18.

[2] Not printed. Mr. I. A. Kirkpatrick was First Secretary in H.M. Embassy at Berlin.

Yours ever,
NEVILE HENDERSON

He feels, I think for instance, that the upshot of the Leipzig incident indicates that G.B. is not prepared to cooperate in defending German naval interests. N.H.

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[3] Sir R. Vansittart commented on this letter: 'This is ominous.'

No. 11

Major C. S. Napier (War Office) to Mr. D. F. Howard[1]

[*W 12903/7/41*]

WAR OFFICE, *July 2, 1937*

Dear Howard,

With reference to Seal's letter M.03651/37[2] of 30th June, 1937, on the subject of arms reaching Spain from Russia, the information in Appendix B of Arms Traffic Summary No. 106 comes from a source in Istanbul who supplies similar information to Germany and Italy.[3] Publicity has already been given to similar shipments (including cargo details) in the Italian Press.[4]

There is no doubt of the actual ship movements: these are confirmed by Lloyds' Shipping Index. Nor is there any doubt that some of these ships have carried arms: the unloading of war material from the Black Sea at Spanish ports has often been reported by our own warships. On the other hand the cargo details are most unreliable: on two or three occasions suspect ships have been taken into Palma or Ceuta and searched without result. The truth is that it is extremely difficult even to guess what arms are reaching Spain from Russia; but it is certain that there has been a constant flow of Spanish ships (which are exempt from international supervision) from the Black Sea to Spain and that some at least have carried war material.

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[1] A First Secretary in the League of Nations and Western Department of the Foreign Office.

[2] Not printed. Mr. E. A. Seal was a Principal in the Admiralty.

[3] The summary showed that over 12,000 tons of war material left Soviet Russian ports for the Spanish Government during the month of May alone, being carried in thirteen ships.

[4] In his letter of June 30 Mr. Seal stated that a copy of the summary had been given to the First Lord of the Admiralty, who felt that the question of giving the facts greater publicity should be considered. This suggestion was discussed in minutes on W 12750/7/41, together with Mr. Seal's letter. A note of July 9 by Mr. C. A. E. Shuckburgh, a Third Secretary in the League of Nations and Western Department, said that Major Napier had explained on the telephone that the 'source from which the inf[ormatio]n comes is both secret and to some extent unreliable' and he therefore did not want any statement made as to the cargoes of the ships. Mr. Seal was told in a letter from Mr. Howard of July 20 that there did not seem much use in making a general statement unsupported by details.

Whether greater publicity ought to be given to Russian breaches of the Non-Intervention Agreement is a question falling outside my province. So long as cargo details are not given we should not object in this case but as there is always a risk that publication of secret matter might compromise our sources of intelligence, I would suggest that you show us a draft before any such action is taken.

I am sending a copy of this letter to Seal.

Yours sincerely,
C. S. NAPIER

No. 12

Mr. Eden to Sir E. Drummond (Rome)

No. 226 Telegraphic [*R 4580/1/22*]

FOREIGN OFFICE, *July 3, 1937, 3 p.m.*

Your telegrams Nos. 370 and 371.[1]

I should be glad if you would draw the immediate attention of the Minister for Foreign Affairs to the article in question. You should say that it is impossible for us to pass over the statements contained in that article to the effect that Great Britain has broken the non-intervention agreement and furnished volunteers, officers and men, arms, aeroplanes and ammunition to Spain. This statement is untrue and Signor Mussolini himself must be aware of that fact. The resentment which obviously unfounded statements of this nature causes in this country cannot be exaggerated and their accumulative effect on British public opinion in regard to Italy is deplorable. You should inform the Minister for Foreign Affairs that no arms or munitions including aircraft, both military and civil, have been exported under licence from the United Kingdom to Spain since the Non-Intervention Agreements came into force in August last. In addition applications for licence to export from this country to countries other than Spain have been most carefully scrutinised and no licence has been granted until all possible steps have been taken to ensure that the material in question would not be re-exported from the country of consignment to Spain.

As regards volunteers you should inform Count Ciano that while a negligible number of persons left this country to take service in Spain before the Agreement regarding the participation of non-Spanish nationals came into force, the terms of that Agreement have been scrupulously observed by His Majesty's Government. Since the beginning of the civil war no person on the active list of the defence forces of the United Kingdom whether officer or man has entered the service of either party in Spain. You should repeat to

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[1] In these telegrams of July 1 Sir E. Drummond reported on an article in the *Popolo d'Italia* entitled 'The Volunteers and London' which alleged that Great Britain had sent 'arms and ammunition' as well as volunteers to Spain.

Count Ciano that the fact that the above position as regards non-intervention by this country must be perfectly well-known to Signor Mussolini renders the article in question all the more disagreeable to His Majesty's Government and that you therefore trust that steps will be taken to prevent as far as possible any repetition of accusations of this nature which can only have a deplorable effect on our mutual relations at this critical moment.

No. 13

Sir E. Drummond (Rome) to Mr. Eden (Received July 4, 9.30 a.m.)

No. 374 Telegraphic [*R 4581/1/22*]

Important ROME, *July 4, 1937, 12.25 a.m.*

In my conversation with Count Ciano (see my telegram No. 372)[1] it was taken for granted by both of us that the article in question was written or dictated by Signor Mussolini himself.

In your telegram No. 226[2] you instruct me to say that the statement that Great Britain has broken the non-intervention agreement etc. is untrue and that 'Signor Mussolini himself *must* be aware of that fact'. Is not this equivalent to accusing him of a deliberate lie? If so I feel bound to warn you that the results may be very grave and that I should not myself be surprised if it led to breaking off of diplomatic relations.

If I could say instead 'that we felt Signor Mussolini ought surely to be aware of the facts' and substitute in sentence beginning 'You should repeat to Count Ciano' the words 'ought to be known' for 'must be perfectly well known' these modifications would, I think, greatly lessen the dangers which I cannot but otherwise foresee.

I do not myself think Mussolini has deliberately invented these stories. He probably has been misinformed by his and Franco's agents and taken their false reports as accurate.

Gayda for instance gives in article referred to in my despatch No. 585[3] which went by last bag certain specific cases of sending of British arms and munitions to Spain and of negotiations for aeroplanes.

Please telegraph urgently if you agree to modifications I suggest.[4]

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[1] In this telegram of July 3 Sir E. Drummond reported that he had complained to Count Ciano in a conversation on July 2 of the 'definite anti-British bias' of the article in the *Popolo d'Italia* (see No. 12, note 1).

[2] No. 12.

[3] Of July 2, not printed (W 12893/7/41). Dr. Gayda was editor of *Giornale d'Italia*.

[4] Foreign Office telegram No. 227 of July 4 gave Mr. Eden's agreement to the modifications suggested.

No. 14

Sir E. Drummond (Rome) to Mr. Eden (Received July 4, 2.30 p.m.)

No. 375 Telegraphic: by telephone [*R 4582/1/22*]

Immediate ROME, *July 4, 1937*

My telegram No. 374.[1]

I would like to refer to opinion I have expressed that to give Signor Mussolini the lie direct might have grave consequences. These might even be the break off of diplomatic relations or at least the recall of Ambassadors. Should you consider time has come when an alteration in normal diplomatic relations is either expedient or alternatively unavoidable might it not be better if initiative came from us on the ground that attacks of this kind based upon false information by Head of Government make continuance of normal relations impossible.

By this line of action we should avoid giving Signor Mussolini a handle for working up claim that we had deliberately insulted him and compelled him for his own honour and that of Italy to take action on lines I have indicated.

I repeat that I do not myself think Signor Mussolini is himself inventing but he is the victim, no doubt the too willing victim, of false information. False charges are all too frequent in Europe to-day and everyone has suffered from them.

It is not without considerable hesitation that I suggest possibility of our taking the initiative. I only do so because I feel we should be in a stronger position by doing so than if we permit ourselves the luxury of telling Signor Mussolini that he must know that he is lying. Of course these considerations only apply if you feel bound to adhere to original instructions you sent me.

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[1] No. 13.

No. 15

Extract from the minutes of the 296th meeting of the Committee of Imperial Defence, held on July 5, 1937

[R 4963/1/22]

Secret 2, WHITEHALL GARDENS, S.W. 1, *July 5, 1937*

(1) THE MEDITERRANEAN: ASSUMPTIONS TO GOVERN DEFENSIVE PREPARATIONS

(C.I.D. Paper No. 1332B.)[1]

(Previous references: C.I.D. Minutes of the 290th Meeting, Minute 6, and 295th Meeting, Minute 4.)[2]

The Committee had under consideration a Memorandum by the Secretary of State for Foreign Affairs concerning the probability of war with Italy (C.I.D. Paper No. 1332B), discussion of which had been adjourned at the 295th Meeting.

SIR THOMAS INSKIP,[3] at the request of the Prime Minister, summarised the discussion which had taken place at the previous Meeting. The main point at issue had been whether it was necessary or desirable to lay down as a definite proposition the formula suggested by the Secretary of State for Foreign Affairs that

> 'Italy cannot be considered as a reliable friend and must for an indefinite period be regarded as a possible enemy, especially if she can count on the goodwill and potential support of Germany, or if the United Kingdom were involved in difficulties elsewhere.'

The Chief of Naval Staff had informed the Committee that the Joint Planning Sub-Committee were engaged in the preparation of an appreciation of the strategical situation in the Mediterranean, Middle East and North-East Africa on three hypotheses, namely:

(i) A unilateral war with Italy.

(ii) A war in alliance with France and Belgium against Germany and Italy.

(iii) A war in alliance with France and Belgium against Germany, Italy and Japan, with Russia neutral; or, alternatively, with Russia as an ally.[4]

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[1] Volume XVIII, No. 615.

[2] The 290th meeting of the C.I.D on March 11 1937 had taken note of the conclusions of the 288th meeting of February 11, approved by the Cabinet on February 24: see 'Conclusions' below, and Volume XVIII, No. 615.

The 295th meeting on July 1 had begun to consider paper 1332B, but had adjourned discussion until the next meeting.

[3] Minister for the Co-ordination of Defence.

[4] See Volume XVIII, No. 615, note 12. The draft interim report of the Joint Planning Sub-Committee on the situation in the Mediterranean and Middle East was considered by the Chiefs of Staff Sub-Committee on July 28: see No. 68 below, and cf. No. 59.

It had been suggested that consideration of the Foreign Secretary's Memorandum might be deferred until this appreciation was available for examination, but it had been urged, on the other hand, that a formula of some sort defining our defensive policy vis-à-vis Italy was necessary in order to provide a basis for planning.

The Prime Minister observed that it had been laid down as a corollary to the existing formula that 'no very large expenditure should be incurred on increasing the defences of' the Mediterranean and Red Sea ports. He presumed that the Staffs would wish to know whether that instruction still held good or not.

Lord Chatfield[5] agreed, and pointed out that the question resolved itself very largely into one of priorities. There were limitations to our industrial production, and a decision would have to be taken whether our present priorities were to be modified in order to provide increased security in the Mediterranean against Italy. No doubt the Chiefs of Staff would be required ultimately to submit to the Committee their recommendations on this question.

Mr Eden agreed that ultimately a report of this nature would be required, but he suggested that the immediate question was whether we were not at present working on a formula which did not accurately state the position as it existed. It was true that, even if the present formula were modified, the Chiefs of Staff might recommend no change in our present programmes, but the Foreign Office wished to ensure that the Committee of Imperial Defence was not working on false premises with regard to Italy.

The Prime Minister suggested that, as a matter of practical politics, the question was to what extent we should make preparations to meet the contingency of war with Italy. He doubted whether it was necessary to place on record in specific terms that Italy 'must for an indefinite period be regarded as a possible enemy.' Such action on the part of the Committee of Imperial Defence was, he thought, quite unprecedented. He recalled that it had been laid down by the Cabinet in 1933 that 'No expenditure should for the present be incurred on measures of defence required to provide exclusively against attack by the United States, France, or Italy.' Would not it meet the Foreign Office point of view if Italy were merely excluded from the above list instead of being specifically labelled as a probable enemy for an indefinite period? It was possible, however, that the Staffs might wish to have some more precise guidance regarding defence preparations against Italy.

Mr. Eden thought that it would be only right to place Italy in the same category as Germany—it would be grotesque to maintain Italy in the same list as France and the United Stares of America as a nation in respect of which no preparation need be made. He asked in what category Germany stood now.

Sir Maurice Hankey said that by a process of exclusion Japan, Germany and Russia were left as the principal possible enemies, although they were not specifically described as 'probable' enemies.

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[5] First Sea Lord and Chief of the Naval Staff.

Sir Thomas Inskip enquired whether there was any distinction between 'probable enemies' and 'possible enemies.' Presumably all countries except the United States and France were to be considered as 'possible enemies.' He considered that the most important thing to do was to assess the relative priorities of defence preparations against possible enemies.

Sir Samuel Hoare agreed that it would be only right to place Italy in the same category as Germany, but he concurred in the view that this should be done by implication, rather than specifically in a definite formula.

Mr. Malcolm MacDonald also agreed in this view. He disliked the idea of a definite formula for Italy or Germany, since the logical conclusion then would be to have a formula for every country.

Lord Zetland[6] emphasised that the present formula regarding Italy did not represent the facts of the situation. He referred to Italy's hostile attitude towards us in the Arab countries and particularly in the Yemen. This attitude might cause us considerable trouble in connection with Palestine. There could be no doubt that Italy was at present definitely hostile to us owing to her ambitions in the Near East.

Mr. Ormsby Gore said that as Secretary of State for the Colonies he could only support the representations of Lord Zetland. The position in the neighbourhood of Aden and in the Red Sea as a result of present Italian policy was very serious.

Mr. Eden said that his main concern was to modify the existing formula, which was undoubtedly incorrect.

The Prime Minister suggested that the formula might read as follows:

> 'Italy cannot be considered as a reliable friend and must be omitted from the decision of the Cabinet of the 15th November, 1933, which says:
>
> > "No expenditure should for the present be incurred on measures of defence required to provide exclusively against attack by the United States, France or Italy." '

At the time that decision had been made Italy was considered as a reliable friend, whereas Germany had never been so considered. He asked whether this modified formula would be satisfactory from the point of view of the Chiefs of Staff.

Lord Chatfield enquired whether the Chiefs of Staff would have to consider this formula as a warning of increased danger from Italy. In other words, were further defence preparations against Italy to be taken as a result of it? The next item on the Agenda, the counter-bombardment defences of the Mediterranean ports, was an example of the problems which arose in this connection.

The Prime Minister said he realised that the Service Departments and the Chiefs of Staff would perhaps require more general instructions. The question was whether the situation had so changed since the existing formula had been decided that we should now contemplate large expenditure on defence preparations against Italy. He thought that the Service Departments had sufficient general knowledge of the international situation to determine the scale of expenditure which was reasonable.

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[6] Secretary of State for India.

Mr. Duff Cooper felt that it was most desirable for the Committee of Imperial Defence to give its technical Sub-Committees clear guidance as to the political background for defence planning. For example, as the Chief of Naval Staff had pointed out, the Sub-Committee, whose Memorandum on the Counter-Bombardment Defences of the Mediterranean Ports was to be considered as the next item on the Agenda, would wish to know whether the formula proposed by the Prime Minister was to be considered as a warning of increased danger. If it was, presumably their report should be referred back to them for reconsideration in the light of the new ruling.[7]

Sir Thomas Inskip did not see how general instructions could be given to the technical Sub-Committees. The whole question was largely one of priorities. Italy was now obviously to be considered as a potential enemy, and therefore various defence measures were no doubt desirable in the Mediterranean. The question whether 9·2-inch guns or 13·5-inch guns were to be installed in the Mediterranean ports, however, must be considered in the light of the relative risks involved.

The Prime Minister said he would like to offer some observations on the general question. It seemed to him that we need not be afraid of attack by Italy, either in the Mediterranean or elsewhere, unless she were sure of German support. If Germany were contemplating hostile action or became engaged in hostilities against us, there was little doubt that Italy would join in and take the opportunity to fish in troubled waters. The ideal, no doubt, was to be prepared to fight Germany or Italy or Japan, either separately or in combination. That, however, was a counsel of perfection which it was impossible to follow. There were limits to our resources, both physical and financial, and it was vain to contemplate fighting single-handed the three strongest Powers in combination. He did not leave out of account the fact that we should probably have allies in such a war, notably France, but France at the present time was not in a very strong position to give us much help. He was greatly concerned about the position of France. The country might recover very rapidly in the face of danger as it had often done before, even when it seemed to be in a most perilous condition. Nevertheless, the fact had to be faced that we could not at the present moment count on any very effective support from France.

In foreign affairs there were two aspects to be considered, first, our preparations for defence and, second, our foreign policy. These two had to be correlated, since each influenced the other. He thought that we ought so to direct our foreign policy that we did not quarrel with Germany. If we could do that, he did not feel that we need fear any sudden attack by Italy. But even on the assumption that we could maintain good relations with Germany, he still thought that we should regard Germany as our greatest potential danger and should give first priority to defensive preparations against that country.

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[7] Cf. Volume XVIII, No. 615, note 4.

In that case, defensive preparations against Italy should be considered as of only secondary importance.

Lord Zetland said he fully agreed with the Prime Minister's reading of the situation. There was, however, present in his mind one point which vitally concerned India. Admittedly, Germany was our chief danger, but Italy lay on the flank of our main line of communications to India, Australia and New Zealand. He thought, therefore, that we ought to protect ourselves against any sudden attack by Italy on this vital line of communications. Italy realised our weak point, and no doubt for this reason was intriguing with the Arab countries. She had a great block of territory on the western side of the Red Sea, and, if she extended her influence also to the eastern side, she could certainly embarrass us very considerably.

Mr. Duff Cooper enquired whether there was any danger of Italy trying to force the hand of Germany if, for example, her internal situation became very difficult. Might she rely on Germany following her and attack us first on her own?

Mr. Eden pointed out that this contingency was visualised in his memorandum. He thought that it was a distinct possibility.

Sir Samuel Hoare said he agreed with the general analysis given by the Prime Minister. There was little danger, he thought, of Italy starting a unilateral war against us, if there were no chance of Germany joining her. He therefore entirely agreed that first priority should be given to our defensive preparations against Germany. It was possible, however, to push the issue of priorities to extremes, in which case nothing at all would be done in the Mediterranean. He thought this would be a fatal mistake. During his tour in the previous year in the Mediterranean[8] he had been much struck by the nervousness which was apparent in that area. No doubt this was due to some extent to Italian propaganda, but there was certainly a feeling there that we were quitting the Mediterranean. He felt most strongly that although we should concentrate first against Germany, we should at least do enough in the Mediterranean to show that we intended to stay there for good. It might be open to question whether or not heavy guns at Malta and Gibraltar were of vital importance, but he thought that it was essential to do more in the Mediterranean and Red Sea than we were doing at present.

Lord Swinton[9] said he was much impressed by the Prime Minister's analysis. We had to face the fact that we could not prepare against every enemy in every quarter, and therefore our policy should be to provide the best deterrent we could against war. The surest way of doing this was to build up a deterrent against Germany, so that she would realise that it was not worth while going to war with us. He felt therefore that it was unwise to do anything in the Mediterranean at the expense of defensive preparations against Germany. He emphasised that the staffs must have political guidance and that it was the duty of the Ministers in the Committee of Imperial Defence to give it. As the Prime Minister had pointed out, we had to make our foreign policy go hand in hand with our defence preparations. At a recent meeting of the Committee of Imperial Defence the question of ensuring naval base facilities at Alexandria had been considered and the Committee had agreed with the view expressed by the Chiefs of Staff that it was highly desirable to obtain a dock at Alexandria. We had an alliance with Egypt and he felt that we must rely on this alliance as the key to the whole situation in the Mediterranean; to be sure of having the co-operation of Egypt was probably of greater importance than having heavy guns at Malta. In considering our strategy in a war with Italy we must look at the situation as a whole and decide what things were vital. The possession of full facilities in Egypt was certainly one of these things, and the control of the port of Haifa was probably another.

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[8] See Volume XVII, No. 226.

[9] Secretary of State for Air.

MR. HORE-BELISHA[10] said he agreed with the Prime Minister that the contingency of a single-handed war with Italy might be left out. He suggested that consideration of this contingency by the Chiefs of Staff was unnecessary, since it would be based on an unreal hypothesis. If this contingency were ruled out and only that of war against Germany in alliance with Italy were considered, the importance of defensive preparations against Germany would retain their proper perspective. As a matter of practical politics, it was impossible to put more defences into the Mediterranean without upsetting our present programmes. He suggested that the Chiefs of Staff should base their recommendations for any defensive measures against Italy on the assumption that we should be at war with Germany at the same time as with Italy.

SIR JOHN SIMON agreed with the Prime Minister as to the paramount importance of defensive preparations against Germany. It was impossible to achieve security in every direction, and we had therefore to decide in what quarter the emphasis should be placed. He did not think anyone would dispute that our chief danger came from Germany. If we could achieve reasonably good relations with that country, we should have nothing to fear from Italy. At the same time, it was essential to do enough to deter Italy from a 'mad-dog' act. It would be for the Staffs to say what this amounted to. He had been much impressed by the answers given to the Australian Delegation by the Chiefs of Staff (C.I.D. Paper No. 450–C).[11] At the end of Paragraph 10 of this paper it was stated

> 'The intervention of Italy against us would at once impose conflicting demands on our Fleet. Our policy must be governed by the principle that no anxieties or risks connected with our interests in the Mediterranean can be allowed to interfere with the despatch of a Fleet to the Far East.'

These words were reiterated in Paragraph 33 of the Paper. Admittedly the hypotheses under consideration were not the same as those now being discussed, but it was noteworthy that the Chiefs of Staff stressed the importance of maintaining our principal objective and not permitting diversion of our forces. For the same reason, he himself would deprecate any large diversion of effort to the Mediterranean, since this could only be done at the expense of defensive preparations against Germany.

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[10] Secretary of State for War.

[11] For details of this paper see Captain S. Roskill, *Hankey, Man of Secrets*, vol. iii (London, 1974), pp. 280–1.

Mr. Eden said he agreed with the views which had been expressed by the Prime Minister, and also with Sir Samuel Hoare's emphasis on the need for taking some defensive measures in the Mediterranean. Although Germany was undoubtedly our greatest danger, he was impressed with the risk that Italy might fire the train of the explosive material in Europe to-day, feeling that she would have Germany behind her. A situation might arise very much like that which had caused the Great War. In that case Austria, secure in the knowledge that she would have Germany's support, had lit the match. It was for this reason that he felt the building up of a deterrent against Italy had a considerable secondary importance as a safeguard against the danger from Germany. He agreed with Lord Zetland as to the danger of Italian propaganda in the Middle East. No doubt this was to some extent Italy's reply to our rearmament programme, but he thought we should consider what steps we should take to combat the increase of Italian influence in the Mediterranean and Red Sea. The question of Italian propaganda was becoming of increasing importance and he considered that it was one which would require careful examination in the immediate future.

The Prime Minister said that from the course of the discussion it appeared that there would be no objection to allowing the latter half of the present formula to stand, namely:

> 'That in the above circumstances no very large expenditure should be incurred in increasing the defences of these ports, but at the same time some steps should be taken to bring them up to date and to increase their efficiency.'

In due course, no doubt, proposals in accordance with this part of the formula would be submitted to the Committee of Imperial Defence, but they would have to be conditioned by the necessity for affording first priority to building up a deterrent against Germany. He suggested that the first part of the formula might be re-worded as follows:

> '(*a*) Italy cannot be considered as a reliable friend and must be omitted from the decision of the Cabinet of the 15th November, 1933, which says "no expenditure should for the present be incurred on measures of defence required to provide exclusively against attack by the United States, France or Italy".
>
> (*b*) Priority in defensive preparations in Europe should be given to the provision of a deterrent to aggression by Germany, and the decisions to be taken after the receipt of the review by the Chiefs of Staff Sub-Committee of the strategical situation in the Mediterranean and the Middle East, will have to be governed by this conclusion.'

Sir Samuel Hoare agreed with this formula. He asked whether the Chiefs of Staff could detail clearly in their report what was the present situation of our defences in the Mediterranean and what had actually been authorised.

Sir Cyril Deverell[12] said that in 1935 the Defence Requirements Committee had drawn up a programme for the modernisation of the defences on an average twelve-year plan. Since that time certain additional defences had been approved, and the proposal now was to fulfil the programme in five years. Provision for this had been included in the sum of £204 millions for the requirements of the Army which had been recently approved by the Cabinet. The first year's programme on the five-year plan had been carried out; and sanction had been given to the second year's expenditure, but with the proviso that no commitments should thereby be incurred for subsequent years. It was only fair to say therefore that something was being done in all the ports in the Mediterranean and the Red Sea.

Sir Samuel Hoare said that it would be very helpful if the Chiefs of Staff could set out clearly the details of all the defences both existing and proposed, He had gained the impression that the proposals were on a very small scale.

The Prime Minister referring to the terms of reference given to the Joint Planning Sub-Committee by the Chiefs of Staff said that he felt it was probably unnecessary to consider the contingency of a unilateral war with Italy.

Lord Chatfield said that the Joint Planning Sub-Committee had almost completed their task, and it was rather late in the day to give them fresh instructions. That part of their Report which dealt with a unilateral war with Italy, could, of course, be ignored, if desired. He enquired whether the Chiefs of Staff should instruct the Joint Planning Sub-Committee to carry on with the additional report which they had been asked for as the result of the suggestion contained in the last paragraph of the Foreign Office memorandum.

Mr. Eden said that he thought it would be very helpful to obtain the views of the Chiefs of Staff on these points.

Mr. Duff Cooper suggested that the defensive preparations in the Mediterranean would probably be the same in a single-handed war with Italy as in a war with Italy and Germany in alliance.

Lord Chatfield agreed, and said that the Chiefs of Staff felt that we could never afford to give up our hold on Egypt, Palestine and the Red Sea. If we were involved in a war with Japan, it was conceivable that we might be unable to command the Mediterranean Sea and Malta might consequently be lost for the time being; we should rely on regaining possession after our ultimate victory. It would be essential, however, to keep control of Egypt and the Middle East.

Lord Swinton concurred and thought that the Chiefs of Staff should consider what were the vital issues from the purely strategical point of view.

The Prime Minister said that it was easy to conceive any number of hypotheses, but it seemed better to him to concentrate on the most likely contingencies. In his view a unilateral war with Italy was unthinkable, but if we were involved in a war with Japan or Germany, Italy might join in. That, therefore, should be the hypothesis upon which the Chiefs of Staff should base their appreciation. Moreover, it would ensure that defensive preparations against Germany received first consideration. The possibility that Italy would start the war was not, of course, excluded. The best insurance against such a contingency, however, would be a friendly Germany.

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[12] Chief of the Imperial General Staff.

SIR SAMUEL HOARE repeated that he held very strongly that we should do more in the way of bringing up to date our defences in the Mediterranean. Their weak condition was having a very bad effect, and might prove a temptation to Italy to commit a 'mad-dog' act.

CONCLUSIONS[13]

THE COMMITTEE OF IMPERIAL DEFENCE AGREED

(i) to recommend to the Cabinet that the following formulæ, to cover defensive preparations in the Mediterranean and Red Sea, should be approved in substitution for those adopted on the 24th February, 1937 (Cabinet 9(37), Conclusion 4):

- (*a*) that Italy cannot be considered as a reliable friend and must be omitted from the decision of the Cabinet of the 15th November, 1933, which says 'no expenditure should for the present be incurred on measures of defence required to provide exclusively against attack by the United States, France or Italy['].
- (*b*) that priority in defensive preparations in Europe should be given to the provision of a deterrent to aggression by Germany, and the decisions to be taken after the receipt of the Review by the Chiefs of Staff Sub-Committee of 'the strategical situation in the Mediterranean, Middle East and North-East Africa' will have to be governed by this conclusion.
- (*c*) that in the above circumstances no very large expenditure should be incurred in increasing the defences of the ports in the Mediterranean and Red Sea, but that at the same time some steps should be taken to bring them up to date and increase their efficiency.[14]

(ii) to take note that the Secretary of State for Foreign Affairs intends to formulate proposals for the examination of the steps which might be taken to combat the anti-British propaganda now being carried on by Italy in the Mediterranean and the Middle East.[15]

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[13] Referring to these conclusions in *Grand Strategy*, Volume I (London, 1976), p. 388, Professor N. H. Gibbs remarks: 'It is probably not exaggerating to see here the first sign of that split between the Foreign Secretary and the Prime Minister which led to the resignation of the former in February 1938.'

[14] *Note in original*: Retained from the February formulae.

[15] A note by the Secretary on this document stated that the above formulae were approved by the Cabinet at a meeting on July 14, Cabinet 30(37), Conclusion 5: cf. No. 40 below.

No. 16

Sir N. Henderson (Berlin) to Mr. Eden (Received July 6)

No. 624 [*C 4975/270/18*]

BERLIN, *July 5, 1937*

Sir,

In my despatch No. 595 of June 23rd[1] I said that, as far as Anglo-German relations were concerned, the problem of South-Eastern Europe was now regarded here as the most immediate and crucial problem. It is felt that whether or not a Western Pact is concluded, Germany's direct relations with Great Britain and France present little difficulty, since the vital requirements of these two Powers have been satisfied by the Anglo-German Naval Agreement and Herr Hitler's renunciation of Alsace-Lorraine.

2. Nor does the intimate relationship between France and England constitute an obstacle so far as Germany is concerned. This is an aspect of the problem which in my considered opinion is either mistakenly or wilfully misrepresented in France, where Germany is often said to be deliberately working to separate Great Britain from France, to 'drive a wedge' between the two countries or to destroy the Anglo-French entente. I regard this as a false conception. Stupid though the Germans may be and however desirable such a consummation might in the past have seemed and might in theory appear in the present, they or their rulers at any rate, have at least had the sense to realise that in practice it is unattainable.

3. During the two months I have been here I have had conversations with many Germans, officials as well as private individuals, from General Goering to a chance acquaintance. In any and every discussion I have prefaced my remarks with the observation that no Anglo-German understanding is possible except on the basis of the Anglo-French entente. Nobody has ever shown the slightest inclination to contest the fact, and I believe it to be accepted as such.

4. The aim of German policy is something quite different. It is to induce Great Britain to dissociate herself, not from France, but from the French system of alliances in Central and Eastern Europe. It is equally to detach France from that system or, alternatively, her Eastern allies from France. Nor do the Germans make any secret of their efforts and desires in this direction. Their press openly comments thereon and I would refer you in this connection to my despatch under reference and my telegram No. 308 Saving of May 14th.[2] So far as Great Britain is concerned it is the main object of their policy and the crux of the whole position. The colonial question is, in my opinion, in fact secondary for the moment, and will not become primary,

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[1] In this despatch Sir N. Henderson summarized an article by Herr Megerle in the *Börsen Zeitung* of June 21. It referred to a 'temporary deterioration of Anglo-German relations' which it attributed to British failure to meet German aims and wishes, particularly in South-Eastern Europe.

[2] Not printed.

except as a means of pressure, until the first objective of 'a free hand in the East' is attained or unless there seems to be no prospect of attaining it. Whether a free hand in the East means peaceful evolution or the mailed fist is not a subject for this despatch. My sole aim at the moment is to establish a clear distinction in fact, as well as drawn by Germany in practice, between British friendship with France and British support for France's eastern alliances.

5. I only venture to lay stress on this point because the distinction is to my mind all-important, firstly in the event of any discussions taking place ultimately in London with Baron von Neurath, and secondly because the French mind seems to be unwilling to make the distinction. At least it would seem so, judging by M. Blum's particular insistence to Dr. Schacht in Paris last month on the futility of Germany seeking to divide Great Britain from France, as reported by His Majesty's Ambassador in Paris in his telegram No. 293 Saving.[3] Similarly when I informed the French Ambassador here in advance of Baron von Neurath's proposed visit to London I received a note in reply from him to the effect that 'he trusted that London would give Baron von Neurath good advice but that if the Germans imagined that England was separating herself from Europe at the behest of the Dominions and that it was possible to divide us, then there would soon be no more peace'.

6. It is of course true to say that Germany resents the closeness of Anglo-French relations and, in particular, references to the Western Powers and to the western democracies: but the resentment is caused by her exclusion therefrom and by the implication—which touches her on the raw—that she is outside that delectable pale of the civilised world. It is not against the relations in themselves. There is no doubt whatsoever that Germany would sign to-morrow almost any agreement or undertaking between the three Powers which would be limited to the West. And she would probably abide by it. Her reservations are in respect of Central and Eastern Europe where she feels that her future lies by means of the realisation of aspirations which are in her opinion vital to her well-being, legitimate and not in conflict with any direct British interest.[4]

I have, etc.,

NEVILE HENDERSON

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[3] Volume XVIII, No. 551.

[4] Sir N. Henderson's views were criticized in the Foreign Office. Mr. Strang agreed that it was the aim of Germany 'rather to break the connection between France and England on the one hand, and Central and Eastern Europe on the other, than that between France and England alone'. But this was because 'the former is easier and would be a natural first step towards the latter'. He quoted the statement in *Mein Kampf*, 'The mortal enemy of our country, France, will be isolated'. Sir O. Sargent made similar objections to Sir N. Henderson's thesis. Sir R. Vansittart wrote: 'These minutes are far superior to the despatch, which hardly merited them. It is indeed a curiously naif document, and had better be consigned to oblivion, for it hardly enhances its author's reputation for insight. R.V. July 22.'

No. 17

Mr. Eden to Sir N. Henderson (Berlin)

No. 126 Telegraphic [*W 12948/7/41*]

Immediate FOREIGN OFFICE, *July 6, 1937, 10.30 p.m.*

Your telegram No. 169.[1]

I fully endorse and was glad to learn of your line of argument in conversation with Baron von Neurath. I should be glad if you would take a further early opportunity of renewing your discussion with him on your own initiative and not as under instructions from His Majesty's Government, on the following lines.

You were glad to note that at the end of your conversation with Baron von Neurath he expressed the view that His Majesty's Government are the only impartial country and that he hoped that a British proposal would be forthcoming to meet the present deadlock in the Non-Intervention Committee.

You should indicate that you do not see how you can usefully suggest to His Majesty's Government that they should put forward a new proposal at the present stage seeing that the one they have put forward in association with the French Government had not proved acceptable. That proposal was in their view a very fair one. Although Anglo-French in character it amounted really to an offer on the part of His Majesty's Government to take over the control of the major part of the seaboard which was left open by the withdrawal of Germany and Italy. Moreover, an additional safeguard was provided by the presence of neutral observers on patrol ships. It was our sincere hope that German and Italian requirements would be met by this. It is true that our proposal would not have filled the gap created by the immunity of Spanish ships from observation. But that was a gap which none of our previous control measures had been able to fill nor would it any more have been filled by the German counter-proposals. It is a problem which His Majesty's Government for their part have seriously under consideration and which they are most anxious that the Committee should find means of solving. In the meantime, unless means are found to replace naval control it is difficult to see what useful proposals His Majesty's Government could put forward.

You should continue that as Baron von Neurath has rightly observed the question of the withdrawal of volunteers is one to which His Majesty's

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[1] In this telegram of July 5 Sir N. Henderson referred to his telegram No. 167 (see No. 4, note 4) and said that he had called on Baron von Neurath that morning 'partly to ascertain whether the German Government had any fresh ideas'. The German Foreign Minister said that he feared that if the British Government secured a majority in the N.I. Committee they and the French Government would claim the right to resort to the Anglo-French proposal for naval control. 'If German Government were put in such a position he would be obliged at once to withdraw from non-intervention committee. This was not a threat but a statement.' Later in the conversation Sir N. Henderson said that 'it was hopeless to expect British Government to recognize Franco before foreign volunteers had been withdrawn'. Baron von Neurath's account of this conversation is printed in *D.G.F.P.*, Series D, vol. iii, No. 378.

Government attach the greatest importance. Baron von Neurath appears to believe that General Franco himself might not be unwilling to agree to the withdrawal of foreign volunteers under certain conditions, but you are not clear what is the nature of these conditions, or whether German Government would themselves agree to such withdrawal if General Franco did.

You should then enquire of Baron von Neurath whether his own Government have any views or suggestions to put forward for meeting these various difficulties, which might be of assistance to His Majesty's Government in the event of their endeavouring to find a compromise solution acceptable to all parties. You should not yourself raise the question of belligerent rights in any way, but you may, of course, discuss it with Baron von Neurath if he himself suggests that it form part of a compromise scheme. You should not, however, give him the impression that you have any warrant for thinking that His Majesty's Government are prepared to include the grant of belligerent rights in any comprehensive proposal which they might think of submitting to the Committee. You should confine your efforts to endeavouring to draw from Baron von Neurath any suggestions on the lines which he himself has in mind for a compromise proposal which could be put forward by His Majesty's Government and would be acceptable to the German Government.

Strictly for your information only we should be prepared to consider a solution which excluded the Franco-British naval patrol scheme, and the granting of belligerent rights following on the withdrawal of volunteers. You will appreciate that it is important that Baron von Neurath should not have impression that you have any fresh instructions from us.[2]

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[2] This telegram was based on a draft by Sir G. Mounsey, an Assistant Under Secretary of State in the Foreign Office, elaborately revised by Mr. Eden.

No. 18

Mr. Eden to Sir E. Phipps (Paris)

No. 1354 [*W 13045/7/41*]

FOREIGN OFFICE, *July 6, 1937*

Sir,

The French Ambassador came to see me this morning on his return from Paris. He said that he had found the French Government in a stiff mood. He had not realised from London how deeply the French Government and people had been offended by the recent German-Italian proposals.[1] This applied to every party and every section of the community. It was in part due to the suggestion that while France could, as a matter of course, be expected to receive foreigners on her soil to supervise French observance of an international engagement, other people's ships were to suffer no such inconvenience. In any event the French Government regarded the Italo-German proposals as not only partial and exaggerated, but almost insulting. The French Government would prefer that any new proposals which might be put forward should include the posting of observers in the ports of departure of the countries concerned.

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[1] See No. 3.

Nevertheless the Ambassador explained that he had put forward my tentative suggestions to the French Government, but the latter did not view with sympathy any discussion of the granting of belligerent rights at the present time.[2] In their view, were we to show our willingness to discuss belligerent rights at the present stage our position would be considerably weakened. If we considered belligerent rights discussable, it became at once more difficult to explain why we recognised the Valencia Government as the Government of Spain and refused any recognition to General Franco. The French Government was confident that it was largely because of the gain in prestige which he thought he would obtain that General Franco was so anxious for belligerent rights. The French Government further considered that this was not the moment to make any offer. We should, in their view, remain firm on our present position until the meeting of the full committee, which the Ambassador considered should be held on Friday. After that meeting it would be time enough to consider what proposals, if any, could be worked out. It was emphatically the view of the French Government that the firmer we show ourselves meanwhile, the more likely were we ultimately to find an acceptable solution. If we were to talk lightly of conceding belligerent rights now we should be weakening the significance of the only concession which it was in our power to give. The Ambassador added that an additional reason for the French Government being sceptical about my proposals was that they simply did not believe the volunteers would be withdrawn whatever promises were given.

On my asking what had been the purpose of the visit of the Spanish Prime Minister[3] to Paris M. Corbin replied that somewhat to the surprise of the French Government the Spanish Ministers had only come to ask that belligerent rights should not be granted. They insisted that such a happening would be a severe blow to them, and maintained that their military position was being rapidly improved by the reorganisation of the training of their army.

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[2] In his despatch No. 1353 to Sir E. Phipps of July 3, Mr. Eden had recorded a brief conversation with the French Ambassador on the evening of June 2, just before M. Corbin left for a visit to Paris. He said he had pencilled on a half sheet of paper some considerations which were intended as 'nothing more than the basis for an exchange of views between us. Would it be possible to agree to a continuance of non-intervention and of the control scheme in all respects except the naval patrol if for the latter were substituted supervision in Spanish ports. In addition we could perhaps declare our willingness to consider the granting of belligerent rights once foreigners had been withdrawn from Spain. Finally, we might approach both sides in Spain and ask them to accept foreign observers at aerodromes.' M. Corbin promised to consult his government on these points. There is no record of this conversation in the French archives: see *D.D.F.*, *op. cit.* p. 306, note 1.

[3] Dr. Juan Negrin: he and the Spanish Foreign Minister, Señor José Giral, were in Paris, July 2–4; see *The Times*, July 5, 1937, p. 14.

I told the Ambassador that I had given further thought since he had last seen me to the possibility of some solution being arrived at which could be regarded as satisfactory to us all, and I had an amendment to suggest to the proposals I had mentioned to him last week. It would, I thought, be preferable that we and the French Government should carry out the naval patrol as originally suggested, but at the same time that we should declare our readiness to grant belligerent rights on the departure of the foreigners from Spain. The Ambassador said that he preferred this proposal to my previous one, since it would not require the co-operation of the two parties in Spain to the same extent. He would submit it to his Government, but he repeated their reluctance to consider the granting of belligerent rights at this time.[4]

I am, etc.,

ANTHONY EDEN

[4] For M. Corbin's account of this interview see *D.D.F.*, *ibid.*, No. 190: cf. No. 196.

No. 19

Mr. Eden to Sir E. Drummond (Rome)

No. 688 [*R 4664/1/22*]

FOREIGN OFFICE, *July 6, 1937*

Sir,

I asked the Italian Ambassador to come and see me to-day when I told him that we had spoken on several occasions about the activities of the Italian wireless station at Bari. The Ambassador was aware that we had complained of the anti-British nature of much of the news distributed from this wireless station. In this connexion I thought it well to have an informal conversation with him on the subject of the forthcoming Palestine Report.[1] That Report would be issued tomorrow. The Ambassador would be well aware of the very real difficulty of the problem which confronted us in that country. In these circumstances British opinion would watch closely the line that Bari took. If an attempt was made to make use of an admittedly difficult situation to embarrass His Majesty's Government, then the Ambassador would appreciate how deep the resentment would be in this country. If on the other hand the broadcast from Bari were to show an understanding of our difficulties, such an attitude would be sincerely appreciated here. It was the Ambassador's task and mine to seek to improve Anglo-Italian relations—therefore, I thought it better to speak to him in advance of the event and enlist his help. The Ambassador expressed his gratitude for what I had told him and said that he would at once speak to Rome. He confessed that the authorities in Rome thought we gave an undue significance to the Bari talks, but on this occasion he felt that he could promise me that this conversation between us would have been advantageous.

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[1] The Report of the Royal Commission on Palestine was issued on July 7, 1937 as Cmd. 5479. The Commission, headed by Lord Peel, had been established in July 1936 as a result of the Arab rebellion against the mandatory régime in Palestine which caused severe disturbances in that country between April and October 1936. The Report recommended that Palestine should be divided into three parts: a Jewish state in the north and west; a permanent British mandate over the Holy Places; and an Arab state formed from the rest of the country and Transjordan. The British Government issued a statement of policy (Cmd. 5513 of 1937) declaring general agreement with the Report's conclusions on the grounds that there was an irreconcilable conflict between Jewish and Arab interests in Palestine. *The Times* of July 8, 1937, pp. 16–17, printed both His Majesty's Government's statement and a summary of the Commission's findings.

I am, etc.,
ANTHONY EDEN

No. 20

Record[1] *by Sir F. W. Leith-Ross*[2] *of conversations with Dr. Schacht*[3] *and others*

[*C 4897/78/18*]

TREASURY CHAMBERS, *July 6, 1937*

I sent you, under cover of my letter of the 30th June,[4] a record of my first talk with Schacht at Berlin. That talk, as well as such talks as I had with German bankers, gave me the impression that the Germans had become resigned to an indefinite continuance of the system of exchange control, with all the restrictions which it involves, and that, however much they disliked it, they felt it was hopeless to attempt to get out of it. If this impression was accurate it seemed to me that it must radically affect our policy towards Germany, as it would be no good attempting to assist them by a settlement of debts or a relaxation of quotes etc. if, in fact, this would not lead to a restoration of free exchanges. Accordingly, before I left Berlin I called at the Reichsbank again and saw first of all Schacht and then some of the leading officials of the Reichsbank to get their reactions to my impression and to ascertain whether in fact they were ready to work out a programme for the abolition of exchange controls or not. I enclose herewith a record of this talk, which was of a much more hopeful character. Although the private German bankers feel that there is little prospect of a return to free exchanges, the Reichsbank at any rate is anxious to get rid of its restrictions and appears to me to have a reasonably definite plan as to the stages by which this can be done.

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[1] This record was addressed to Sir F. Phillips, an Under Secretary at the Treasury, Sir R. Hopkins, a Second Secretary at the Treasury, and Sir Warren Fisher, Permanent Secretary to the Treasury and head of the Civil Service.

[2] Chief Economic Adviser to His Majesty's Government.

[3] Reich Minister of Economics and President of the Reichsbank.

[4] Volume XVIII, No. 671.

I am sending a copy of this to Sir H. J. Wilson,[5] Sir W. B. Brown[6] and to Mr. Ashton-Gwatkin.[7]

F. W. LEITH-ROSS

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[5] Chief Industrial Adviser to His Majesty's Government, attached to the Prime Minister.

[6] Permanent Secretary to the Board of Trade.

[7] Head of the Economic Relations Section of the League of Nations and Western Department of the Foreign Office.

ENCLOSURE IN NO. 20

TREASURY CHAMBERS, *July 2, 1937*

I told Dr. Schacht that I had asked to see him again, as I wanted to clear up one question of some importance, viz. whether he thought it would be practicable to relax and eventually to abolish the system of exchange control and come back to a free currency system. My impression was that three years ago the German bankers whom I met all regarded the exchange restrictions as being temporary in character and looked forward to the time when they could be withdrawn, but now they seemed to me to have lost hope of this and to have resigned themselves to exchange control continuing for a generation. I had understood from my previous talk with Dr. Schacht that he also saw no possibility of giving up the system owing to the risk of flight of capital. Was this his definite view? I had been working on the possibilities of finding means to abolish exchange restrictions, but it was no use doing so if the parties principally concerned felt it was hopeless.

Dr. Schacht said that I had quite misunderstood him if I thought he regarded the exchange control system as having come to stay. If that were the position, he would certainly not continue at the Reichsbank and he would prefer to die. What he had meant to say was that it could not be given up in present circumstances, and considerable preparation would in any circumstances be necessary before any modification could be made. The difficulty was that Germany could not at present export, or hope to export, enough to meet her obligations for foreign debts and for raw materials. It was true that the demand for raw materials was inflated by armaments, but there was no altering the German policy on this point. He quite recognised that in return foreign countries would say that they were not prepared to help Germany so long as any help given simply meant the strengthening of German armaments. This is why, in Dr. Schacht's view, a general political settlement was the first essential. The risk of export of capital was technically important, but could be guarded against, if the fundamental conditions were made sounder. The sort of steps that might be conceived would be (a) to free the export of commodities from control, while keeping on some control of imports; (b) as and when the stock position got better to give up the control of imports; (c) the control of capital transactions and debt payments would have to be maintained for a longer time and they would be the last stage. But Dr. Schacht wanted me to understand that he believed in restoring freedom to the currency as the only possible objective. As he had said the other day, a planned economy meant the maximum effort with the minimum result, whereas a free economy yielded the maximum result with the minimum effort. If there were a prospect that the fundamental conditions could be put right, he was ready to cooperate in working out technical measures, e.g. in regard to debts, Standstill etc. He asked me to talk matters over with Dr. Puhl[8] and later on, if at any time it would be useful, he would gladly send a representative to London.

Accordingly I went on to see Dr. Puhl, who had Dr. Wohltat,[9] Dr. Hartenstein[10] and Mr. Pinsent[11] with him. I told Dr. Puhl of my conversation with Dr. Schacht and asked him if he could sketch out what programme he had in mind for freeing the currency. Dr. Puhl replied that he had no cut and dried programme drawn up. The details must obviously depend on circumstances, but the broad lines of his ideas were that the first step would be to give up the detailed control over individual trade transactions. This control could be replaced by a general supervision of exports and imports on the basis of the customs statistical returns. There would have to be some limitation of purchases of stocks for the time being, otherwise the exchange demands from industry would be enormous; but this could be arranged by giving each industry as a whole authorisation to buy up to a certain amount during the next six months, and the effective use made of such authorisations could be kept under review through the actual import statistics. The system would not be completely watertight, but after all the great bulk of the transactions were handled by a comparatively small number of firms and a check could be kept on these firms. By such means a great deal of the present bureaucratic machinery could be demobilised without any substantial risk.

In reply to a question, Dr. Puhl said that the devaluation of the Mark would be feasible as part of a general arrangement, but that it would be difficult to carry it through now apart from such an arrangement. Meanwhile the export trade could get along with the subsidy system, but these subsidies were only the equivalent of a devaluation of the Mark and would be got rid of if and when the mark could be devalued.

As regards capital transactions, it would be necessary to maintain control for a longer time, but on this point too the Reichsbank's objective was to revert to a free system which would enable the resumption of normal commercial credit. Their difficulty was that their balance of payments was adverse. He admitted that under the present system about 200 million Marks a year in respect of tourist traffic was applied to the repayment of the short-term creditors and therefore was not available as income. He also admitted that rearmament involved an additional demand for raw materials of 120–150 million Marks, apart from the diversion of export capacity to armament production. It was to be hoped that this particular demand could be slowed down. (Dr. Wohltat privately said that before six months were over the armament requirements would be greatly reduced). The conditions which would have to be fulfilled before the change over could take place were

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[8] A Director of the Reichsbank.

[9] Director of the office for the administration of foreign payments (*Reichsstelle für Devisenbewirtschaftung*).

[10] An official of the Ministry of Economics.

[11] Financial Adviser to H.M. Embassy at Berlin.

(a) *A reasonable settlement of long-term debts.* The service due on these debts amounted to about 600 million Marks, of which at present only about 250 millions was being paid effectively. A long-term settlement had to be reached on a basis which Germany could accept without any risk of a further default.

(b) *The re-establishment of normal reimbursement credits.* This would be necessary in order that the export trade could secure the necessary raw materials at a reasonable price. The credits under this heading ought to be limited to strict reimbursement credits, so that there could be no resumption of the financial difficulties which had led to the Standstill. In this connection Dr. Wohltat laid stress on the economic advantages of colonies. He gave various examples of the rate at which production of agricultural commodities could be expanded, e.g. soya beans in Manchukuo and ground nuts in India. I told him that, in so far as Germany wished to exploit concessions in the British colonies, it was open to her to do so today, and we would be ready to consider how German firms could be helped to take up such concessions, if the German Government really attached importance to it. We were also prepared to consider any cases where preferences operated to the prejudice of German exports, but the political transfer of colonies was a political and not an economic question.

Apart from these points, Dr. Puhl said that a further point was perhaps not absolutely necessary, but would make any change of system far easier, viz. (c) *a Central Bank credit or cushion.* The sort of amount required would be 1 milliard of Marks or a little more. He did not really want such a credit to be used, but it would make a great difference to public sentiment if the facilities were available should they be required.

I said that this was a question on which naturally I could not express any view, but I thought that, if any such credit was to be seriously considered, it would involve another condition, viz. (d) *a general political settlement.* The Reichsbank officials entirely agreed with this, and said that they had only not referred to it as we were discussing the technical aspects of the question.

I thanked Dr. Puhl for the information which he had given and asked him to keep in touch with Mr. Pinsent if at any time he should find it possible to elaborate his ideas more fully.

F. Leith-Ross

No. 21

Record by Mr. Strang of a conversation with Mr. D. St. C. Gainer

[*C 4968/3/18*]

FOREIGN OFFICE, *July 6, 1937*

In the course of a conversation today, Mr. Gainer, H.M. Consul-General at Munich, said that he was not easy in his mind about the future of German policy. Germany was in a state of tension, to which the economic situation and the church controversy had largely contributed. There was more and more talk in Germany of the need for some striking success in foreign policy, and unless Germany could win a diplomatic victory in Spain, circumstances might well force Herr Hitler to make a 'coup' somewhere else. In what region action would be taken, it was impossible to guess. Everything would depend on circumstances. Some incident or other, wherever it might occur, could be used as a pretext. It would be possible, for example, for the Nazis to provoke such an incident in Austria or Czechoslovakia. It was perhaps in these two countries, and more particularly in Austria, that the danger lay. We ought not to exclude the possibility of some violent German act in either of these countries. The stresses and strains under which Germany was labouring, the state of mind of the Party leaders, and the highly charged atmosphere in which they lived, were all conducive to a violent adventure. The Army would be strongly opposed to it, but once the die was cast, they would loyally follow the Führer.

Mr. Gainer also said that the Germans had studied our own position with characteristic thoroughness, and had come to the definite conclusion that our intervention in Central or Eastern Europe was out of the question. Feeling against this country was stronger and more bitter than he had known it in the past five years. They had come to regard us as the Power which was standing in Germany's way in every direction. They regarded us as a decadent democracy (the impression made by the Coronation had now worn off) with little fighting spirit, though not yet—like the French—on the point of collapse.[1]

W. STRANG

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[1] Mr. Eden commented on July 7: 'Not good reading. Sir F. Leith-Ross has also spoken to me today of his impressions of the deterioration in Germany's internal condition, and of the weakening of the influence of the more moderate elements in the govt. He considers Germany quite unprepared to wage a war, & the military strongly opposed to an adventure such as Mr. Gainer suggests.'

No. 22

Sir N. Henderson (Berlin) to Mr. Eden (Received July 8, 9.30 a.m.)

No. 171 Telegraphic [*W 13114/7/41*]

Immediate BERLIN, *July 7, 1937, 10.30 p.m.*

I saw Minister for Foreign Affairs this evening and told him that while I had no instructions from you, I had received your comments on my previous conversation and wished to inform him of them. I then gave him gist of my telegram No. 169[1] and read to him relevant portions of your telegram No. 126.[2]

Baron von Neurath made the following observations: it was not he but I who had stated that the question of withdrawal of volunteers was one to which His Majesty's Government attached the greatest importance (this is the fact, please see my telegram No. 169) but he did in truth realise it and that was why his advice was that the first act of Non-Intervention Committee should be *at once* to ask Franco and Valencia Governments whether they would agree to withdrawal. His view was that until this was done no advance could be made. He had sounded General Franco some ten days ago and had ascertained that under certain unspecified conditions he would not be averse to the withdrawal of volunteers. The German Government could not do more and it was for the Non-Intervention Committee to take the next step and definitely ascertain those conditions. He could not tell me definitely what they would . . .[3] expects that (please see my telegram No. 169) recognition of belligerency and simultaneous withdrawal of Valencia volunteers would probably be the basis of them. If Franco agreed German Government would be only too pleased to agree also. They had no desire to keep a single man in Spain.

In this connexion he said that he had been disappointed at remarks in your speech last Saturday[4] in which you referred to the territorial advantages in Spain as if Germany or Italy contemplated securing some such after victory of Franco. Germany at any rate never had sought territorial advantages and never would do.

He complained in this respect of misleading theories of press generally and in particular of the British press which was now representing claim for recognition of Franco Government as being insisted upon by the German Government. His proposals in this sense had merely been made as a bridge for discussion out of which counter proposals might emerge (see my telegram No. 169). He regretted for this reason that his suggestion had been merely and curtly vetoed by the Non-Intervention Committee without discussion and without reasons given. Incidentally he made the point that he did not see how the British Government under international law could have a Consul functioning at Bilbao without agreement of Salamanca Government. But he repeated that recognition of that Government was not a German concern any more than withdrawal of volunteers. It was a matter for Non-Intervention Committee and all he could suggest was that Franco (and Valencia) should forthwith be approached as regards volunteers.[5]

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[1] See No. 17, note 1.

[2] No. 17.

[3] The text was here uncertain.

[4] In a speech at a Conservative fête in Warwickshire on July 3 Mr. Eden had stressed the importance of the territorial integrity of Spain, and the disinterestedness of the British Government's concern not to let the war spread beyond the Spanish frontiers. 'In our view, Spain's form of government is a matter for the Spanish people.' See *The Times*, July 5, 1937, p. 8.

Beyond this he had nothing new to suggest except that, if His Majesty's Government found it difficult to propose a compromise it might be possible for one of the representatives of the other 27 countries on the Committee to put forward some alternative plan.

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[5] These issues were discussed at the 24th and 25th meetings of the N.I. Committee on Friday, July 9, at 11 a.m. and 4 p.m. respectively. Opening the morning meeting, Lord Plymouth recalled that at the meeting of the Chairman's Sub-Committee on July 2 (cf. No. 7, note 13) the British and French Governments' offer to take over the responsibility of naval observation round the whole Spanish coast had not been accepted by the German and Italian Governments who had put forward certain counter-proposals. These were in turn unacceptable to His Majesty's Government who were, however, prepared to give careful consideration to any further proposals which might be made. There followed prolonged discussion. At the second meeting at 4 p.m. the Netherlands representative, Jonkheer van Swinderen, proposed that the British Government should be charged to make an effort to bring the two points of view together. This proposal was unanimously adopted, and after a short adjournment Lord Plymouth announced that he had consulted Mr. Eden who had agreed to undertake the task.

No. 23

Sir N. Henderson (Berlin) to Mr. Eden (Received July 8, 1.15 p.m.)

No. 437 Saving: Telegraphic [*C 4960/71/62*]

BERLIN, *July 7, 1937*

The *Deutsche diplomatisch-politische Korrespondenz* of July 7th discusses M. van Zeeland's return from his mission in America.[1] His visit has doubtless, says the commentary, aroused particular interest there as being that of the representative of an European country which is obviously and deeply concerned in the avoidance of war. At the same time good will and intentions will not suffice to carry through a real policy of live and let live, devoid of any suggestions of encirclement and power politics, unless the arbitrating neutral States possess the confidence of the States whose interests are actually at stake. A condition of such confidence is that the independence of the neutrals should be genuine, as it never was at Geneva, for small States are always prone to adjust their policy to suit the Great Powers.

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[1] The Belgian Prime Minister visited the United States June 18–30 as part of his mission of enquiry to explore the possibility of an international relaxation of trade restrictions and exchange controls: see Volume XVIII, Nos. 334, 403, 453, and 588. M. van Zeeland stopped in London on his way back to Belgium and had conversations with the Prime Minister and Mr. Eden on July 5 before leaving for Brussels on July 6: see *The Times*, July 6, 1937, p. 16. No record of these conversations has been found in the F.O. archives, but in answer to a question by Mr. Arthur Henderson in the House of Commons on July 7 Mr. Chamberlain stated that at his interview with the Belgian Prime Minister M. van Zeeland 'reported the results of his conversations with the President and others in the United States of America. It was agreed between us that M. van Zeeland should proceed with his inquiries with a view to ascertaining in the first instance how far it was possible to obtain agreement on certain general principles of economic policy among a number of States, including the signatories of and adherents to the Tripartite Currency Agreement' (Volume XVII, No. 248, note 4). 326 *H.C. Deb. 5 s.*, cols. 340–1.

It is no secret that attempts to exploit this last fact may be made at the deliberations of the Non-Intervention Committee, on lines familiar to Germany from Geneva and other London Conferences. Alliances on such occasions are 'obligatory rather than convincing' and it would be unfortunate if, when the Council of the Nations is to take serious decisions, majorities should again be constructed by such questionable methods.[2]

[2] Cf. No. 17, note 1.

No. 24

Extract from Cabinet Conclusions No. 29(37) of July 7, 1937

[*C 4966/270/18*]

3. In the course of the discussion summarised in the preceding Conclusion[1] the Secretary of State for Foreign Affairs read to his colleagues a confidential and very private letter which the Permanent Under-Secretary of State for Foreign Affairs had received from His Majesty's Ambassador in Rome.[2]

It was mentioned that the Permanent Under-Secretary of State had communicated a copy of the letter confidentially to the Chiefs of Staff of the Defence Services.

The Minister for Co-ordination of Defence raised the question as to how far the letter ought to be treated as a warning from the point of view of our defensive arrangements.

The Secretary of State for Foreign Affairs pointed out that no action was called for in the letter sent to the Chiefs of Staff.

The Prime Minister thought that there was very little that could be done to improve matters. The real counter to Italy's disquieting attitude was to get on better terms with Germany.

The Lord President of the Council urged that in carrying out the Prime Minister's idea of bettering relations with Germany we should (for example, in connection with the Spanish situation) avoid putting forward our suggestions as Anglo-French proposals, and that close contact should be preserved with Berlin in the development of such proposals.

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[1] Not printed: cf. Nos. 13 and 14.

[2] The letter was dated July 2. Sir E. Drummond remarked in it that in spite 'of the soothing assurances given me regularly by Ciano, Mussolini is now putting out a string of articles which have a strongly anti-British bias . . . Is Mussolini working up his public opinion for an eventual war with us?' He thought the situation was 'unpleasantly reminiscent of the technique used in the early months of 1935 to bring Italian public opinion up to pitch for his Abyssinian adventure'.

The Secretary of State for Foreign Affairs agreed in these proposals. If the Chairman of the Non-Intervention Committee were asked for proposals, these would not bear the character of Anglo-French proposals, and he had already instructed His Majesty's Ambassador at Berlin to see Baron von Neurath on the subject.[3]

> The Cabinet agreed in the Prime Minister's proposal that the best way of countering the disquieting attitude of the Italian government was to cultivate better relations with the German government.

[3] See No. 17.

No. 25

Letter from Mr. Chamberlain to Mr. N. Davis

[*A 4881/228/45*]

10, DOWNING ST., S.W.1, *July 8, 1937*

I[1] am very much obliged for your letter of the 10th June and have given very careful thought to its contents.[2]

[1] Opening and concluding salutations omitted from the filed copy.

[2] The American diplomat Mr. Norman Davis had been in London in May 1937 as head of the United States delegation to the International Sugar Conference. During his stay he had a conversation with Mr. Chamberlain, then Chancellor of the Exchequer, who, according to Mr. Davis's report to President Roosevelt, had expressed a desire to visit Washington and meet the President. Mr. Davis's letter of June 10 to Mr. Chamberlain, now Prime Minister, said that President Roosevelt had welcomed the idea of a visit by Mr. Chamberlain as both 'desirable and helpful', while realising that some sort of agenda for their conversation should be agreed on beforehand to avoid any misconstructions being placed on their meeting. According to Mr. Davis, the President suggested that the Prime Minister should come to Washington in the autumn of 1937, and that if this proved impossible he might like to nominate another member of his Government to go instead: this appeared to be a reference to Mr. Eden, with whom Mr. Davis had also spoken in May (see *The Diplomatic Diaries of Oliver Harvey 1937–1940* (London, 1970), pp. 43–4).

Mr. O. S. Cleverly, Principal Private Secretary to Mr. Chamberlain, sent a copy of Mr. Davis's letter to Mr. O. C. Harvey, Mr. Eden's Private Secretary, on June 21 with a note that 'Mr. Chamberlain would be grateful for advice as to how the letter should be dealt with'. Foreign Office minutes concurred that it would be unwise for the Prime Minister or the Foreign Secretary to visit Washington unless some at least of the points presently at issue between the two countries, such as war debts or limitation of armaments, had been resolved. There was a general feeling that Mr. Davis had mistaken or exaggerated Mr. Chamberlain's desire to visit Washington but, as Mr. J. M. Troutbeck, Acting Head of the American Department, pointed out (June 23), 'We don't know what the Prime Minister did say to Mr. Davis!' Mr. Chamberlain's version of his conversation with Mr. Davis is given in a letter of July 4 1937 to his sister Ida, preserved in the Chamberlain papers. He wrote: 'It is too bad of Norman Davis to put the initiative on to me. *He* pressed me to say I would go to U.S.A. to talk with the President and I said nothing would give me greater pleasure but I didn't see that it was possible.'

I was greatly gratified to hear that the President would welcome an opportunity of a meeting with me and you know from our conversation how cordially I share his view of the immense possibilities of Anglo-American co-operation in restoring stability and peace to the world. I believe that if properly timed and held under the right conditions a meeting between us might have very valuable results and I should be extremely glad personally to make the acquaintance of the President and to explore with him the problems which so greatly interest us both. The difficulty I feel about a meeting this autumn is as I explained to you in my opinion the time is not yet ripe. Nothing would be more disastrous than that a conference which would inevitably attract the utmost publicity should fail to produce commensurate results, and I do not see at the present moment how we could expect to achieve the purpose we have in view.

What I would suggest is that we should work a little longer to get things into a form which offers a reasonable prospect of a real advance. On the one hand there are the negotiations for an Anglo-American trade treaty[3] which look as if they may yet require some time for adjustment of the very real difficulties. Coupled with this is M. van Zeeland's mission[4] which may contribute to a better appreciation of the economic situation. On the other hand there is the political situation in Europe. The President will be aware of the unfortunate incidents which led to the postponement of Baron von Neurath's proposed visit to this country.[5] I had hoped that this visit might have led to a clarification of the position between this country and Germany, and I still trust that the German Minister may presently suggest a new date for the meeting. It seems to me that if it does take place it may provide a valuable indication of the direction in which the lines of advance might run and in this way would be a useful preliminary to any conversation between the President and myself.

I should therefore be grateful if you would express to the President my deep appreciation of his kind message and my earnest desire to take advantage of his suggestion as soon as conditions appear sufficiently favourable to warrant my doing so.

Draft replies were prepared by the American Department and by the Prime Minister himself, but the final version printed here was agreed at a meeting of July 8 between Mr. Chamberlain, Mr. Eden, and the American Ambassador, Mr. R. Bingham, and sent to Sir R. Lindsay for delivery to the President in a letter of July 9 from Mr. Harvey.

[3] Anglo-American trade negotiations had been proceeding slowly and with difficulty since early in 1937: cf. Volume XVIII, No. 560. The United States had produced several lists of 'essential' items on which they wanted the United Kingdom to reduce import duties. These demands presented difficulties to the United Kingdom not only because of financial and domestic considerations but also because any alteration in the tariff system involved the consent and cooperation of the Dominions, who had therefore to be closely and continuously consulted. The attitude of Canada in particular was proving a serious stumbling-block. For details of these negotiations see *F.R.U.S.*, 1937, vol. ii, pp. 1–107, and R. N. Kottman, *Reciprocity and the North Atlantic Triangle 1932–1938* (Cornell University, 1968), Chapters 4–6. The agreement was not finally concluded until November 17, 1938: see *ibid.*, Chapter 7.

[4] See No. 23.

[5] See Volume XVIII, Chapter VII, *passim.*

In the meantime both the Foreign Secretary here and I will keep in close touch with Mr. Bingham with whom I have recently had a talk on the subject and Sir R. Lindsay is also being kept fully informed of our view.

With kind regards in which my wife joins me.

No. 26

Letter from Sir A. Cadogan[1] *to Sir N. Henderson (Berlin)*

[*C 4963/3/18*]

Secret FOREIGN OFFICE, *July 8, 1937*

We[2] have had a number of reports of late from various sources, the general purport of which is to suggest the possibility in present circumstances of some forward move, perhaps even some act of violence by Germany in the foreign field, and more particularly in Central Europe.[3] It is not suggested that Germany is ready for a major war or for a long war, or that she would wish to provoke one: the argument is rather that the unsatisfactory internal situation in Germany, the character and state of mind of the Führer, the estimate which the less prudent of Herr Hitler's advisers may have formed as to the capacity of France and Great Britain to play a strong part in international affairs, and the growth of their influence with the Führer, might, upon some suitable provocation, cause him to decide on some military adventure of apparently limited scope, in the conviction that this would not involve any serious risk of a general conflagration.

We have collected these reports together in the enclosed memorandum,[4] in order to see what they amount to. I have been asked to send you a copy of this, and to say that we shall be glad to have any comment that you may wish to offer.

The evidence, as you will see, is not very strong and is in places contradictory, but such as it is, it shows that there may be some foundation for the uneasiness which a good many people have been feeling of late about German intentions at the present time.

(Berlin only.) I should perhaps explain, so far as Gainer is concerned, that he happened to call at the Foreign Office when we had this subject in mind, and that it was natural that the conversation should turn into this channel.

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[1] A Deputy Under Secretary of State for Foreign Affairs.

[2] Opening and concluding salutations omitted from the filed copy.

[3] These sources included No. 21, some newspaper reports, and certain confidential information summarized in a paper of July 7 by Mr. W. I. Mallet, a First Secretary in the Central Department. This paper was circulated to the Cabinet Committee on Foreign Policy as F.P.(36)36), with the observation by Mr. Eden that H.M. representatives concerned 'are agreed in thinking that, while the possibility of such a move is always present, there is no particular reason to fear that it is imminent'.

[4] Not printed: see note 3.

I have written similarly to Selby[5] and Newton,[6] and have sent a copy of this letter to Phipps.

[5] Sir W. Selby, H.M. Minister at Vienna.

[6] Mr. B. C. Newton, H.M. Minister at Prague.

No. 27

Sir N. Henderson (Berlin) to Mr. Eden (Received July 16)

No. 644 [*C 5175/3/18*]

BERLIN, *July 8, 1937*

Sir,

I have the honour to acknowledge the receipt of your despatch No. 844[1] of July 3rd requesting my observations on certain reports by the French Ambassador in Berlin on the situation in Germany.

2. Monsieur François-Poncet has been in Berlin for a number of years in the course of which he has witnessed the fall of the Weimar Republic, the accession to power of Herr Hitler, the sudden decision of Germany to leave the League, the massacre of 30th June, 1934, the murder of Dr. Dollfuss, the introduction of military service and the invasion of the Rhineland. Most of those events came as bolts from the blue and Monsieur François-Poncet, who was as surprised as everyone else, feels—not without reason—that with the Nazis in power no shock is impossible and is anxious not to be again caught unawares. Moreover he is closely in touch with the Little Entente representatives here, who are notorious purveyors of sensational stories, and finally there is more than a streak of the journalist in him and he is consequently apt to jump to conclusions based on facts which are susceptible of a simpler explanation. These various factors cause him from time to time to make hasty and ill-considered reports, which he has subsequently to revise. But his maxim is that one day he will guess right and, unfortunately, given the unpredictable reactions of Hitler and the law of averages he may well do so.

3. In the present case the French Ambassador appears to have succumbed to these influences and to have painted the situation in a somewhat alarmist light. It is true that after the *Deutschland* and *Leipzig* incidents the Chancellor was in a thoroughly emotional state of mind. I reported as much in my telegrams Nos. 140[2] and 146.[3] The Würzburg speech reflected his mood (see my telegram No. 409 Saving),[4] but in so far as he assumed the rank of a prophet he said nothing which he has not said on many previous occasions. From the early days of *Mein Kampf* to the present day he has always depicted himself as the man of destiny chosen by providence to lead the German people out of the slough of despond. It is true that many sober people such as Herr

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[1] This despatch of July 3 forwarded to Berlin a copy of the document printed as No. 670 in Volume XVIII.

[2] Volume XVIII, No. 635. [3] *Ibid.*, No. 647. [4] Not printed: see *ibid.*, No. 669, note 1.

von Mackensen,[5] who incidentally cannot be described as a member of Herr Hitler's entourage, profess anxiety as to what the Chancellor may do next when he is in an excited condition, but this is unfortunately a chronic state of affairs, with which the outside world must reckon when dealing with Germany. In any event the French Ambassador is prepared to admit that Herr Hitler has since calmed down (see Sir E. Phipps's telegram No. 125 of July 1st)[6] and he has been further reassured by a conversation with General Göring, in which he found the latter reasonable and conciliatory. In general Monsieur François-Poncet now takes the view that the tension of ten days ago has been followed by a definite *détente*. My own opinion has been conveyed to you in the various telegrams I have addressed to you since the crisis brought about by the *Leipzig* incident. It is briefly that the German Government is sincerely anxious to liquidate the Spanish business, if this can be done without loss of face. Only a fresh incident or the collpase of the whole non-intervention scheme is likely to precipitate a fresh crisis here.

4. As regards Monsieur François-Poncet's telegram on Austria,[7] I learn that his informant was no other than Herr von Papen,[8] who in turn had been told by a third party, who had seen Herr Hitler, that the Chancellor had used aggressive language in regard to Austria. The information regarding the plans of a Nazi rising in Vienna had been obtained from another quarter (I suspect Social-Democratic circles in Prague, from whom a similar report recently reached me). The French Ambassador put these two items of information together and drew the inference or at all events implied that Herr Hitler was involved in a scheme for an Austrian putsch. So far as I am aware, there is no ground for this theory. Herr Hitler has in private during the last few years constantly used aggressive language in regard to Austria and plans for a putsch have never ceased to be in the air. Moreover Herr von Papen is so notoriously unreliable and so addicted to intrigue that his calculated indiscretion to the French Ambassador must arouse suspicion. In any case Monsieur François-Poncet is apparently satisfied that in the matter of Austria too there has been a certain *détente*. So long as Austria stands at the top of the list of German foreign aims and so long as a government remains in power which thrives on sudden strokes, it is impossible to look far ahead. For the moment, however, I see no reason to adopt in regard to Austria a panicky attitude. The more diligently an alarmist atmosphere is created the more difficult it will be for the parties to keep steady nerves and the more likely will be the consummation which we wish to avoid.

5. Finally Monsieur François-Poncet's remarks on the reception given to your speech[9] seem somewhat highly coloured, to say the least of it. As I reported in my despatches Nos. 595[10] and 624[11] of the 23rd June and 5th July respectively, German eyes are turned towards the East and it is hoped that in this sphere, where no direct British interest is involved, His Majesty's Government will ultimately not oppose legitimate German aspirations. From

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[5] State Secretary in the German Foreign Ministry.

[6] No. 6.

[7] See Volume XVIII, No. 670, para. 2.

[8] German Ambassador at Vienna.

[9] See Volume XVIII, No. 670, note 5.

[10] Not printed.

[11] No. 16.

this point of view your references to Central Europe may well have been a disappointment, but they are not likely to have very greatly upset the German Government, who are well aware of your previous declarations on the subject and had no reason to suppose that you intended to depart from them. However that may be, the Austrian Government themselves seem more than satisfied with your statement and do not appear to share Monsieur François-Poncet's apprehension that it will merely have the effect of stimulating German designs on Austrian independence.

I have, etc.,

NEVILE HENDERSON

No. 28

Mr. Eden to Sir C. Wingfield[1] *(Lisbon)*

No. 257 [*W 13311/7/41*]

FOREIGN OFFICE, *July 9, 1937*

Sir:

The Portuguese Ambassador asked to see me on July 6th, when we discussed the outlook in Spain. On my speaking of the difficulty created for us when considering belligerent rights by the presence of large numbers of foreigners in Spain, Dr. Monteiro remarked that, as he had previously told me, he was confident that General Franco would be willing that these volunteers should be withdrawn. He would like to suggest that he himself should communicate with his government and ask them to obtain from General Franco an authorisation for him to make clear General Franco's position at the meeting of the international committee on Friday. I replied that it might be useful that Dr. Monteiro should have the right to use such an assurance if General Franco was willing to give it, but that it would be wise to consider very carefully whether in fact to use it. Dr Monteiro expressed his agreement. On my remarking that I saw no signs of Italy's being prepared to agree to the withdrawal of volunteers, Dr. Monteiro replied that it was important not to think that the attitude of General Franco and that of the Italian Government was necessarily the same on this point.

On the Ambassador asking me for the information of his own Government what kind of terms I thought possible for a solution of the present deadlock I replied that if it could be agreed that the naval patrol should go on, England and France filling the gap, it might be possible also to agree on the grant of belligerent rights to both sides once the withdrawal of volunteers had been not only agreed to, but carried out in at least a substantial measure.

I am, etc.,

ANTHONY EDEN

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[1] H.M. Ambassador at Lisbon.

No. 29

Mr. Eden to Sir C. Wingfield (Lisbon)

No. 258 [*W 13312/7/41*]

FOREIGN OFFICE, *July 9, 1937*

Sir:

The Portuguese Ambassador came to see me this morning, when he stated that after his interview with me on July 6th[1] he had telegraphed to Lisbon saying that it would be of service to him if General Franco would authorise him to say at the Committee Meeting on Friday[2] that he was prepared to agree to the withdrawal of foreign volunteers. On receipt of this message the Portuguese Government despatched one of their number by air to Salamanca, where the assurances previously given were repeated to him, i.e. that General Franco was willing to agree to the withdrawal of volunteers on the three conditions previously specified, that the Moors were not included, that the Valencia withdrawal was to take place under proper supervision and that no armistice should be granted while the withdrawal took place. An hour after this message had been received a further communication came from Salamanca stating that General Franco understood that it was the object of the Portuguese Government, in the approach which they had made, to create a division between General Franco and Germany and Italy. This being so, General Franco could not agree to the declaration being made by the Portuguese Government on Friday since he must first consult Germany and Italy. The Ambassador added that he thought that General Franco believed that the broadcast recently made by Captain Moniz, Director of the Portuguese Radio Group, had been inspired from London. This, of course, was not true. I then asked the Ambassador whether he had seen a report in this morning's *Times*[3] of General Franco's statement on the subject of volunteers. Dr. Monteiro said that he had not, whereupon I showed it to him, and he remarked that he would much like to go back to Lisbon if it were possible in order to deal with the situation. It appeared that General Franco was making a fool of himself (*une grande bêtise*). Incidentally he was putting the Portuguese Government in a very difficult position.[4]

Dr. Monteiro added that he was a little puzzled at the fact that while nobody had been aware of the communication which he had made to Lisbon after our interview of July 6th, yet a German newspaper the very next day had reported adversely on the Portuguese attitude. On my pressing him the Ambassador admitted that the report had been in vague terms and to the effect that Portugal was trying to improve General Franco's relations with us, so that it might have been no more than intelligent anticipation.

I am, etc.,

ANTHONY EDEN

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[1] No. 28.

[2] i.e. July 9: see No. 39 below.

[3] *The Times*, July 9, 1937, p. 16: cf. *D.A.P.E.*, vol. iv, No. 1206.

[4] Cf. generally *D.A.P.E.*, *ibid.*, Nos. 1183, 1185, 1193, 1194, 1202, 1205.

No. 30

Sir E. Phipps (Paris) to Mr. Eden

No. 134 Telegraphic: by telephone [*W 13360/7/41*]

PARIS, *July 10, 1937*

It was officially announced this morning at the Quai d'Orsay that the French Government will make known on Monday, July 12th, to the Non-Intervention Committee in London that the international control will be suspended as from Tuesday, July 13th, on the Spanish-French frontier, unless by that time agreement has been reached in accordance with the conditions already announced by the French representative on the Non-Intervention Committee.[1] It was added that France's non-intervention engagements naturally continue, and that the decision of the French Government refers only to the suspension of international control.[2]

It was emphasised to journalists that reference was made to *suspension* and not to *abandonment* of control.

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[1] A letter of July 10 from H.M. Embassy in Paris to the League of Nations and Western Department said that it was understood from comments of the head of the Press Section of the Quai d'Orsay 'that the French Government in fact were chiefly preoccupied with the question of the Portuguese frontier and that if the privileges accorded to international observers there were maintained, he believed that they might be maintained on the French frontier also'.

[2] Cf. *D.D.F.*, *op. cit.*, No. 212.

No. 31

Sir N. Henderson (Berlin) to Mr. Eden (Received July 12, 1.50 p.m.)

No. 182 Telegraphic [*W 13434/7/41*]

BERLIN, *July 12, 1937, 12.47 p.m.*

I am credibly informed that Herr Hitler feels particularly sore at the lack of any sympathetic appreciation of the German offer to recognise the Valencia government. In view of his intense hatred of Communism Herr Hitler regarded this recognition in return for that of Franco as a great concession on his part in the interests of peaceful solution and he is correspondingly irritated at the failure of foreign Governments and Press to pay any attention to or to give him any credit for it.[1]

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[1] Mr. Shuckburgh noted (July 15) that he had asked Lord Plymouth, when presenting the British proposals to the N.I.C., to mention 'that we recognise the concession which the Germans and Italians have made in agreeing to recognise the belligerency of both sides . . .'

No. 32

Minute by Sir R. Vansittart for Mr. Eden

[*R 4736/1/22*]

FOREIGN OFFICE, *July 12, 1937*

The point of Drummond's letter,[1] and at any rate *part* of the point of the recent Foreign Office paper on the possibility of war with Italy,[2] was that Mussolini might, by a sort of *coup de folie* and irrespective of Germany, attack us unexpectedly. I have felt for some time, and had even put the point to the Chiefs of Staff in connection with the Coronation festivities, that we ought to be fore-warned and to some extent fore-armed against this possibility, although neither we nor Drummond rate it higher than a possibility. The Cabinet Conclusion of July 8th,[3] viz: that we should weaken the Rome-Berlin axis by cultivating better relations with Germany, does not meet this point, and the statement of the Prime Minister on p. 7 of the Minutes of the 296th meeting of the C.I.D.[4] on July 10th,[5] that 'it is probably unnecessary to consider the contingency of unilateral war with Italy', seems definitely to discount it. I would point out that Drummond does not mention Germany in his letter and is clearly not thinking of a combined attack but of a single-handed one.

The mere cultivation of Germany, apart from its merits as a long-range policy, will I think be a dubious comfort to Drummond, who would, I believe, like to see some measures of reinsurance in the Mediterranean, 'showing a tooth' there in order to minimise (a) the temptation, and (b) the probable success, of a mad dog act. We have heard from secret sources, and the report is confirmed by *a priori* reasoning, that in the event of war between Italy and Great Britain Germany would remain neutral. She would of course exact a high price for her neutrality and would probably seize the opportunity to achieve her aims in Central and Eastern Europe.

When last I discussed the possibility of war with Italy with Sir M. Hankey, he said that in such an event 'we should have to sterilise the Mediterranean', i.e. we should have to try to hold on to Alexandria (and Gibraltar of course) and otherwise keep out of that sea. That is all very well, but the French are in it, and the Turks and the Yugoslavs. We shall lose our reputation and our clientèle to boot, if we take that line. What course do we leave open to the Yugoslavs and the Turks? From the F.O. point of view that line is dreadful to contemplate; but I suppose it is the corollary of not feeling able to prepare against war in the North Sea and the Mediterranean simultaneously. But, once again, that doesn't meet the F.O. point that we may have to face war in the Mediterranean *only*.

For all these reasons I should have thought that Conclusion 1(a) of the C.I.D. meeting, though a great improvement on the previous formula, is still an example of myosis. But I learn from the attached letter from Sir M. Hankey[6] that the Chiefs of Staff are preparing separately a scheme for reinforcing the Mediterranean which could be put into effect if the Cabinet (or D.P.P.[7]) consider the situation warrants it.

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[1] See No. 24, note 2.

[2] Volume XVIII, No. 615.

[3] See No. 24.

[4] See No. 15.

[5] Should be 'July 5'.

I will take this opportunity of giving the gist of a secret report dated July 5th, which you wished to communicate in some form to the Foreign Affairs Committee. It came from a non-Italian who, however, has for some years been employed in Italian propagandist activities in the Middle East, and gave the views of certain official quarters in Rome of what would be necessary if, as was considered likely, war broke out between England and Italy. The plans involved undermining British prestige in India and the loyalty of Indian troops, the invasion of the Sudan, an attack on Alexandria and Palestine, an advance from Libya into Egypt, putting the Suez Canal out of action by air attack, and cutting communications in the narrow seas by submarine warfare. It was not suggested that this was definitely Italian policy, but that such plans were in existence and were due to a feeling that England would sooner or later wish to avenge her reverse over Abyssinia and the view that Italy could not wait much longer without being ruined financially. (There is also the knowledge that we are monthly becoming stronger and can stay the course much better.) But it was felt that before hostilities with England began, victory for Franco in Spain would have to be assured.

A propos of the minutes of the C.I.D. meeting, I am much puzzled by the statement of the Prime Minister on p. 4[8] to the effect that 'we could not at the present moment count on any very effective support from France'. This seems to repose on a misunderstanding of the present position in France. That country is in financial difficulties. But the French army—and that is what we are now considering—has never been in better shape. It is probably still superior to the German, and is certainly superior in heavy artillery. Similarly the French navy is proportionately *much* stronger than before the war; and we have never heard any recent criticisms of its efficiency. M. Pierre Cot[9] has done considerable damage in the Air Force. But our own is in none too good shape just at present either: *vide* the total figures of bombers. (As for the numbers and equipment of our Expeditionary Force, the less said the better for the time being. In this respect at least it would be rather for the French to say that 'we could not at present moment count on any very effective support from England'.) I cannot help thinking that there must be some misapprehension in the Cabinet as to the state of the French army and navy—as distinct from the Air Force and the financial situation. And it would be well to put this straight.[10]

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[6] In this letter of July 9 Sir M. Hankey said that the Chiefs of Staff had been 'rather perturbed' by Sir E. Drummond's letter, and had agreed that each Chief of Staff would 'work out what decisions he would require from the Cabinet as to the movement of ships, aircraft, stores and so forth, in the Mediterranean if the information was considered serious enough to warrant action'.

[7] The Defence Plans (Policy) Sub-Committee of the C.I.D.: see Volume XVIII, No. 615, note 6.

[8] See p. 25 above.

[9] French Air Minister.

R.V.

[10] A note on this minute by Mr. Hoyer Millar read: 'The S. of S. had these papers with him at yesterday's D.P.P. meeting [on July 13] & today's Cabinet [see No. 40 below].'

No. 33

Letter from Sir N. Henderson (Berlin) to Sir A. Cadogan (Received July 16)

[C 5166/3/18]

Secret BERLIN, *July 12, 1937*

My dear Alec,

Your letter of July 8th[1] asking for my observations on a number of reports indicating that Germany may shortly proceed to some act of violence in Europe, particularly in Central Europe.

It is an ungrateful task for an Ambassador in Berlin to raise his voice against the panic-mongers. Ninety-nine times out of a hundred he will of course be right; but the hundredth time the sensationalists may prove to be right, and the fact that they have been wrong ninety-nine times will not be remembered against them. It would be easier and safer to take refuge in the truism that with Hitler in power we must be prepared for anything.

Nevertheless I adhere to the views expressed in my despatch No. 644 of July 8th,[2] which goes to you by this bag, and to which I really have nothing to add. I am fortified by the opinion of Dr. Gördeler,[3] who I observe (see your despatch No. 864—C 4714/165/18)[4] seems to entertain no misgivings in regard to the Austrian policy of the present Government. Although an anti-Nazi, he has many influential and well-informed friends here and his judgment is probably as sound as that of any independent observer.

Herr Kircher, the editor of the *Frankfurter Zeitung*, who is in close touch with the Ministry for Foreign Affairs, recently informed a member of my staff that Germany had no intention whatever of making trouble in Central Europe. When asked what was meant here by the expression 'a free hand for Germany in the East', he replied that if an upheaval took place in Czechoslovakia, Austria or Yugoslavia, as it assuredly would sooner or later in some form not exactly to be foreseen, Germany would naturally exploit the situation to her own advantage.

Of all the various reports summarised in the enclosure to your letter, the one which seems to me to describe the situation most accurately is that which says that the Germans wish to keep the Austrian situation open for the present so that they may take advantage of any unfavourable situation which may arise between Great Britain and Italy; and that the unfavourable effect in Austria of the campaign against the Catholics in Germany was another reason for going slow.

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[1] No. 26.

[2] No. 27.

[3] Dr. K. F. Gördeler, a former Commissioner for Price Control, and Mayor of Leipzig from 1930 until April 1937.

[4] Not printed.

As regards the detail of the reports you sent me, I would make the following observations:

Hitler is abnormal by nature: he was greatly and emotionally upset by the *Deutschland* incident.[5] The 100 odd casualties caused thereby have increased his abhorrence of the Spanish Reds but not his general abnormality.

I have absolutely no proof tending to lead me to believe that the Radical elements among the Nazis have got the upper hand.

It is not only in Munich but throughout Germany that the impression has been gained that Great Britain is less definite than she was as regards intervention in Central or Eastern Europe. Everybody knows here that the British Dominions were opposed at the Imperial Conference to excessive commitments in Central Europe. Hence the inevitable conclusions.

Frankly I don't believe in the stories of 'Putsches' contemplated in Austria or Czechoslovakia at the present moment or immediate future.[6] Or, at any rate I don't believe they are being specifically engineered. Circumstances or incidents may arise which may lead to them. But common sense is certainly against them. It may be argued that the Germans are lamentably deficient in common sense. I believe this is true, yet it seems to me more dangerous to be always anticipating and talking about possible trouble than to do the reverse. Fear is a bad master and apt to produce the very eventuality which is feared. I don't recommend being blind to possible contingencies, but I would like to see them less talked about. In the end the German only says: 'The whole world seems to expect me to make a "Putsch", so make a "Putsch" I shall.'

It is all very difficult and the task of foretelling more than normally invidious. My own opinion is that possibly more depends on the economic situation than on the political course of events, as distinct from some individual incident, in Spain, France or elsewhere.

Yours ever,
NEVILE HENDERSON

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[5] See Volume XVIII, No. 555: cf. Nos. 577 and 635.

[6] Mr. Eden minuted on July 22: 'I do agree with Sir N. Henderson, when he deprecates so much talk of "putsches".'

No. 34

Sir W. Selby (Vienna) to Mr. Eden (Received July 14)

No. 65 Saving: Telegraphic [*C 5146/3/18*]

Secret VIENNA, *July 13, 1937*

Following for Sir A. Cadogan.

Your letter of July 8th.[1]

There has been a noticeable increase in uneasiness here of late and His Majesty's Consul at Innsbrück has today reported a similar feeling in his district.

You will see from the last sentence of my despatch No. 142 of July 3rd[2] recording conversation with the Chancellor[3] that the possibility of some sudden act of aggression by Germany upon Austria or Czechoslovakia is always present to the mind of the Austrian Government. Experience has shown that their fears increase in the measure that the international situation becomes strained and Germany is considered by reason of her developing internal embarrassments to require a success of some kind outside Germany.

Most observers here seem agreed that Germany is not in a position to face a 'long war', but that there is not lacking influential opinion in Germany favourable to facing Europe with a fresh *fait accompli* such as the occupation of Austria or Czechoslovakia would involve, a militarily easy operation so far as Austria is concerned.

The Chancellor is certainly determined not to afford any excuse for such action on the part of Germany, and there is no fresh evidence here that Germany contemplates any such adventure. More than this I cannot say since the rest depends on the attitude of Herr Hitler, his estimate of the present strategical situation in Europe and the pressure to which he may feel himself exposed to secure fresh laurels for his régime by some 'success' in the field of external policy.

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[1] No. 26.

[2] Not printed (R 4712/1008/3).

[3] Dr. Schuschnigg.

No. 35

Mr. Eden to Sir C. Wingfield (Lisbon)

No. 264 [*W 13555/7/41*]

FOREIGN OFFICE, *July 13, 1937*

Sir,

The Portuguese Ambassador came to see me yesterday afternoon, when he spoke of his Government's relations with General Franco. The Ambassador admitted that he had been much put out by the account in the *Times* of Friday last that General Franco would not agree to the withdrawal of volunteers.[1] He had been in touch with Lisbon and he had been given to understand that the granting of this interview preceded General Franco's statement to the Portuguese Government and that in any event General Franco still maintained the position which the Ambassador described to me some days ago. He was willing that volunteers should be withdrawn on the three conditions specified. At the same time he thought it would be impossible for him for reasons of prestige to agree to the withdrawal unless belligerent rights were granted. If a serious promise were made that such rights would be granted General Franco was willing to make a start at once with the withdrawal of the wounded. General Franco had been unwilling to authorise a statement by the Portuguese representative at last Friday's meeting of the Non-Intervention Committee because he feared that such a statement would be interpreted as meaning that he was breaking with his allies. This he could not do. On the other hand the Ambassador added that he had definite information that the Italian and German Ambassadors in London had already been instructed to discuss the withdrawal of volunteers on the basis of the granting of belligerent rights.

2. The Portuguese Ambassador mentioned that he wished to make clear the position of his Government about control of their frontiers. If complete naval control was reestablished or if it were allowed to lapse and some other scheme agreed upon, then the Portuguese Government were willing that observers should resume their duty on their frontiers if the French Government would do the same.[2]

I am, etc.,
ANTHONY EDEN

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[1] See No. 29, note 3.

[2] Dr. Monteiro's account of this conversation is printed in *D.A.P.E.*, *op. cit.*, No. 1223.

No. 36

Mr. Eden to Sir E. Drummond (Rome)

No. 707 [*R 4822/1/22*]

FOREIGN OFFICE, *July 13, 1937*

Sir,

Count Grandi asked to see me urgently on July 9th when he said that he had received a message from Signor Mussolini himself on the subject of the Bari broadcast.[1] The Duce had been into the matter personally and wished to give me a message to the following effect: that the Italian Government had taken all possible steps in order to meet the wish of His Majesty's Government and to prove their desire to ease the situation. We agreed upon publication in the press of a statement giving effect to this information.[2]

I am, etc.,
ANTHONY EDEN

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[1] Cf. No. 19.

[2] Cf. *The Times*, July 9, 1937, p. 16.

No. 37

Sir E. Phipps (Paris) to Mr. Eden (Received July 14)

No. 875 [*C 5126/3/18*]

PARIS, *July 13, 1937*

Sir,

You were good enough, under cover of your despatch No. 1324 of July 3rd,[1] to send me a copy of a record of a conversation between Mr. Leeper[2] and M. de Margerie[3] of the French Embassy, and to ask for a report on the probable reaction of the French Government in the event of a German aggression against either Czechoslovakia or Austria.

2. I have no doubt that, as M. de Margerie informed Mr. Leeper, M. Blum[4] has indeed given assurances to the Czechoslovak Government that the armed forces of the French Government would come to their aid should they be attacked by Germany. While such an undertaking is in keeping with the somewhat facile optimism characteristic of M. Blum's attitude towards many of the political and financial problems with which he was faced during his term of office, I have no reason to believe that he did not speak with all sincerity or that he assumed obligations which would not be honoured by the Government which is at present in power. The independence of Czechoslovakia is of vital interest to France, and that the French General Staff shares M. Blum's view would seem to be borne out by my conversation with General Gamelin, recorded in my telegram No. 382 Saving of July 5th.[5] Further, as M. Albert Sarraut[6] recently pointed out in conversation with a member of my staff, the actual process of mobilisation would be carried out much more easily to-day with a Government of the *Front Populaire* in power than would have been the case under Governments of the Right and Centre, which would have found solidly arrayed against mobilisation the forces of the Extreme Left that to-day yield to none in their demand for military efficiency and drastic action against the aggressions of the totalitarian States. It would be outside my province to express an opinion on the efficacy of any assistance which the French armies could afford to Czechoslovakia in present circumstances, but since the German occupation of the Rhineland, I admit that I have found competent and impartial observers to be generally sceptical on the subject.

3. As regards Austria, I can speak with much less confidence. It is obvious that much must depend on the circumstances in which the aggression takes place—an overwhelming Nazi 'putsch' might for instance be engineered from

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[1] Not printed: it forwarded a copy of the document printed as No. 670 in Volume XVIII.

[2] Head of the News Department of the Foreign Office.

[3] First Secretary in the French Embassy in London.

[4] President of the Council June 1936–June 1937: Vice-President of the Council in M. Chautemps' government.

[5] Not printed. General Gamelin was Chief of the Army General Staff and Vice-President of the *Conseil Supérieur de la Défense nationale*.

[6] Minister of State in M. Chautemps' government.

within. But on the whole I find it difficult to accept M. de Margerie's view that France would reply to German action by mobilisation if indeed it is axiomatic, as I believe it is generally held to be, that mobilisation in the existing state of Europe means war. It is true that the absorption of Austria by Germany would be a spectacle almost as distasteful to French eyes as the absorption of Czechoslovakia; but apart from the fact that France has no treaty obligation to Austria, the affinity between Austria and Italy and the attitude which Austria found herself obliged to adopt towards the League of Nations during the Abyssinian war, have alienated the sympathies of Frenchmen of the Left. Furthermore, a Czechoslovakia whose people have announced their determination to fight to the last ditch in the defence of their liberty is a very different proposition from an Austria, a considerable proportion of whose population might conceivably be in sympathy with the German invader, and even arrayed on his side against the would-be rescuer. The strategical difficulty of French intervention on behalf of Austria would, I understand from my Military Attaché,[7] present even greater difficulties in the eyes of the French General Staff than in the case of Czechoslovakia,[8] and while I may have to revise my opinion on a question at once so complicated and so important, I do not at the present moment see how the French Government could do otherwise than once more accept the painful *fait accompli.*[9]

I have, etc.,
ERIC PHIPPS

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[7] Lt.-Col. F. G. Beaumont-Nesbitt.

[8] A marginal note by Sir O. Sargent here read: 'Why I wonder. O.G.S.'

[9] Mr. Strang minuted: 'M. François-Poncet has led us rather a dance, and the experience has been instructive. But we must not let ourselves be stampeded too often . . . The Quai d'Orsay probably know their man, and that is perhaps why Sir O. Sargent found in Paris a week ago that M. Delbos & Paris generally were not in a state of alarm. It is comforting to find that Sir N. Henderson is keeping his head. If ever it is he who cries "wolf", we shall know to look out. W. Strang. 17/7.' Mr. Eden wrote (July 23): 'I agree with Mr. Strang's admirable minute . . .'

No. 38

Mr. Eden to Sir C. Wingfield (Lisbon)

No. 120[1] *Telegraphic* [*W 13561/7/41*]

FOREIGN OFFICE, *July 14, 1937, 5.30 p.m.*

Following is text of report communicated today to Non-Intervention Committee by United Kingdom Government. It will be released for publication here tomorrow morning.[2]

At last meeting of Non-Intervention Committee, held on 9th July, His

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[1] No. 134 to Berlin, No. 235 to Rome: cf. No. 39 below.

[2] See *The Times*, July 15, 1937, p. 13. The proposals were also printed as Cmd. 5521, *Spain No. 2 (1937)*.

Majesty's Government in United Kingdom were entrusted by their colleagues on Committee with task of drawing up proposals which should aim at closing present gap in control scheme and enable policy of non-intervention to be continued. This task has been no easy one. For any proposals which can be put forward with any hope of success must not only harmonise widely divergent views which have been expressed but must also give promise of effective system of non-intervention.

His Majesty's Government have, however, bent their best endeavours to their task, and have evolved scheme which they herewith submit to other Governments represented on Committee, in hope that it may lead to agreed solution of present difficulties. In submitting it, they would however make one observation. It is admittedly compromise between varying points of view; it can only be successful if it is accepted by Governments concerned in spirit of compromise. All nations represented on Committee have repeatedly expressed view that they wish non-intervention in Spanish conflict to continue. They have now opportunity to give to that wish practical effect. Unless greater spirit of international co-operation is evident than has been achieved in past, this scheme will fail, and nations of Europe will be faced with new and infinitely more dangerous situation. His Majesty's Government in United Kingdom therefore urge other nations represented on Non-Intervention Committee to give these proposals their immediate consideration, and in event of their being accepted, to devote real spirit of international collaboration to their practical application.

OUTLINE OF PROPOSALS

A. *Reconstruction of System of Supervision*

[1.] *Supervision of traffic entering Spain by sea.*

(a) System of placing observers on ships visiting Spanish ports to be continued.

(b) Naval patrol system to be discontinued and replaced by establishment, with consent of both parties, of international officers in Spanish ports under proper safeguards. These officers would perform the functions hitherto carried out by naval patrol, i.e. ascertaining that requirements of scheme as regards carrying observers on board are complied with.

2. *Supervision of traffic entering Spain by land.*

System of supervision on land frontiers to be restored at once.

B. *Further Measures for Meeting Present Situation and for Filling certain Gaps in Supervision System*

3. With view to more effective application of policy of non-intervention, all Governments parties to Non-Intervention Agreement to recognise two parties in Spain as possessing status which justifies them in exercising

belligerent rights at sea, in accordance with rules governing such exercise but subject to following special conditions:

(a) That contraband lists adopted by belligerents shall be identical with list of prohibited goods adopted by Committee. In other words, Powers will recognise limited contraband lists only. This, however, will not preclude them from adding certain goods to those regarded as contraband under Non-Intervention Agreement. Such additions will be subject of negotiation between Committee as a whole and two belligerents.

(b) That as corollary to (a) two parties will agree, in exercise of belligerent rights at sea, to allow unmolested passage of ships carrying observers and flying flag of Committee. This, however, will not apply where ship is engaged in unneutral service (such as carriage of troops or transmission of intelligence) or breach of blockade which has been duly notified and is effectively maintained.

(c) That since international shipping between countries other than Spain is obliged in certain areas to pass near Spanish coast, no steps shall be taken by either party to impede or interfere with passage of neutral shipping not engaged in traffic with Spain.

(d) A Government [which] is party to the Agreement will be entitled to protect ships flying its flag against exercise of belligerent rights in cases where conditions laid down in (a), (b) or (c) are not being complied with.

4. In order to preclude carriage of arms on ships which are entitled to have observers on board, Agreement to be extended so as to prohibit carriage to Spain, from any port, by ships entitled to fly flag of any of parties to Agreement, of goods on prohibited list.

5. Committee to inform Non-Member Powers of their intention to recognise belligerent status of two parties on above terms and to invite their cooperation with view to making policy of Non-Intervention more effective. Any governments which are prepared to become parties to Agreement and to recognise belligerent status of two parties on above terms to be invited to avail themselves, for ships flying their flag, of facilities for taking on board observers at established 'control' ports.

6. Committee to consider further question of employment by two parties of foreign aircraft which enter Spain under their own power, and to examine in particular possibility of requesting two parties to accept foreign observers in specified aerodromes in Spain.

C. *Withdrawal of Foreign Nationals*

7. (a) Committee to pass unanimous resolution in favour of withdrawal from Spain of all persons whose evacuation is recommended in the Report of the Technical Sub-Committee (N.I.S.(36)525).

(b) A Commission to be sent out to either party in Spain to make arrangements for and to supervise withdrawal persons in question as soon as possible.

(c) All Governments to undertake to collaborate in such practical measures as may be found necessary for effecting these withdrawals.

D. *Execution of above Programme*

8. His Majesty's Government propose that above programme should be carried out in following stages:

(i) Establishment officers in Spanish ports, and withdrawal naval patrol, as soon as possible;

(ii) Establishment of commissions to make arrangements for and supervise withdrawal foreign nationals, and extension of Agreement as proposed in paragraph 5, to follow (i) as quickly as possible;

(iii) Recognition of belligerent rights to become effective when Committee place on record their opinion that arrangements for withdrawal foreign nationals are working satisfactorily and that this withdrawal has in fact made substantial progress.

E. *Immediate Action by His Majesty's Government to be Authorised by the Committee*

9. His Majesty's Government to be authorised by Committee to enter immediately into discussions with two parties in Spain on following points:

(1) establishment of officers in Spanish ports (paragraph 1 (b) above).
(2) withdrawal foreign volunteers (paragraph 7 above) including the establishment of Commissions in Spain.
(3) conditions on which belligerent rights are to be granted (paragraph 3 above).

No. 39

Extract from Cabinet Conclusions No. 30(37) of July 14, 1937

[*W 13810/7/41*]

1. The Secretary of State for Foreign Affairs recalled that when he last reported to the Cabinet[1] there had been a deadlock in the Non-Intervention Committee. That deadlock still existed, but efforts were being made to resolve it. Before the Meeting of the Non-Intervention Committee on the previous Friday it had become clear that no nation wanted a breakdown, though no-one saw a way out. There had been vague suggestions that the matter should be dealt with by a Meeting of the four Powers, or that the small Powers should make proposals. Eventually hints had been thrown out that the British Government should formulate a proposal. This had been suggested at last

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[1] On July 7. The Cabinet agreed (Cabinet Conclusions 29(37), No. 2): 'That the Secretary of State for Foreign Affairs should be authorised to work for the withdrawal of volunteers from Spain, the granting of belligerent rights to both contending parties in Spain, and the maintenance of the Naval patrol if it could be arranged.'

Friday's Meeting by the Netherlands representative, and had received unanimous support.[2] This rather bore out his belief that everyone wanted to find a way out.

On the previous day he had seen the Ambassadors of the Powers mainly concerned, and had listened to what they had to say. He had not thought it wise to consult them about the plan, which he wished should be a purely British one. Such indications as he had received, however, were not unfavourable as to the possible reception of the plan, which he proposed to communicate at once to the nations concerned and to produce at a Meeting of the full Non-Intervention Committee on Friday.[3] If it was acceptable in principle it was probable that it would be referred to a smaller Committee to be worked out in detail.

He had seen the Portuguese Ambassador, who reported that his Government had been irritated at a change of attitude on General Franco's part.[4] General Franco, however, now was reported to be willing to part with his volunteers, though he had not wanted that to be said publicly at last Friday's Meeting of the Non-Intervention Committee, as it would tend to upset his relations with Germany and Italy. There were now some signs that Germany and Italy might be willing to bargain on the basis of a withdrawal of volunteers. The Soviet Ambassador had suggested that the whole situation would be profoundly changed if volunteers were to be withdrawn. The French attitude towards the withdrawal of volunteers was also favourable.

The Secretary of State for Foreign Affairs then handed round the text of his proposal (*Appendix I*),[5] which was read by members of the Cabinet during a short adjournment.

Enquiries were made as to whether there was not a risk that the qualifications to belligerent rights proposed in paragraph 3 might be detrimental to the interest of this country, which, as a Naval Power, was concerned in the maintenance of belligerent rights to the full.

The Secretary of State for Foreign Affairs said that this matter had been most carefully considered by the Foreign Office, including the Legal Adviser, and had been discussed with the Admiralty. The present position was quite peculiar in many respects: for example, we were dealing with a civil war and not with a war between two nations. In the event of a major war in which we required to use belligerent rights we could claim that the Great War provided a better precedent than the Spanish Civil War. He asked the Cabinet to note that in the sixth line of paragraph 3 the word 'and' had been altered to 'but', so that the first sentence of paragraph 3 would read as follows

> 'With a view to the more effective application of the policy of Non-Intervention, all Governments parties to the Non-Intervention Agreement to recognise the two parties in Spain as possessing a status which justified them in exercising belligerent rights at sea, in accordance with the rules governing such exercise, *but* subject to the following conditions:'

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[2] See No. 22, note 5.

[3] July 16.

[4] See Nos. 28, 29, and 35.

[5] See No. 38.

He thought that this went some way to meet the criticism that had been raised.

A suggestion was made that the word 'certain' should be inserted in the first sentence of paragraph 3, quoted above, before the words 'belligerent rights at sea'.

The Secretary of State for Foreign Affairs did not object to the proposal, but pointed out that it would make it less palatable to General Franco.

The Prime Minister thought the addition was unnecessary. The sentence as it stood did not purport to provide a definition of belligerent rights, though it did set forth that recognition in this particular case was subjected to certain conditions. In these circumstances there was no risk of our being compelled at some future time to accept the conditions applied in this particular instance as of general application. He thought that the substitution of the word 'but' for 'and' had met any possible criticism.

On page 3, line 3, of the proposal, the question was raised as to whom the word 'them' referred to.

The Secretary of State for Foreign Affairs said it referred to the Powers.

Some discussion took place as to condition (b) of paragraph 3, and it was suggested that the second part of the paragraph was contradictory to the first.

The Secretary of State for Foreign Affairs said that the second sentence was taken out of a proposal made by the German Ambassador.

The Prime Minister reminded the Cabinet that the document did not purport to be final, but was to be sent to the Powers as a basis for discussion. It was not unlikely that if some point such as paragraph 3(b) was not acceptable to any Power, it would suggest an alteration. He thought that the document as a whole was a good basis for discussion.

The Cabinet agreed:

(a) To authorise the Secretary of State for Foreign Affairs to send the proposed Statement by the United Kingdom Government (Appendix I) to the Powers represented on the Non-Intervention Committee as a basis for discussion at the next Plenary Meeting:

(b) To take note that the draft Statement had already been telegraphed to the Dominions:

(c) That the Secretary of State for Foreign Affairs should be authorised to print the Draft Statement as a White Paper[6] in time for delivery to Members with the Votes on the morning of Thursday, July 15th.

[6] See No. 38, note 2.

No. 40

Extract from Cabinet Conclusions No. 30(37) of July 14, 1937

[*R 4854/1/22*]

6. In the course of the discussion referred to in the preceding Conclusion,[1]

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[1] Under item 5 the Cabinet had approved the formulae contained in Conclusion (i) of the draft minutes of the 296th meeting of the C.I.D.: see No. 15.

the Secretary of State for Foreign Affairs said that it would be advantageous from the point of view of relations with Italy, without being provocative, if some sign could be shown in that region of our progress in re-armament. He understood, for example, that there was some question of modern aircraft being sent to Egypt, and this would be very welcome to the Foreign Office.

The Secretary of State for Air said that the proposal to send modern aircraft to Egypt had only been made as part of a larger question, namely, as to whether, in view of the letter read to the Cabinet by the Secretary of State for Foreign Affairs at the last Meeting,[2] referred to in the margin, all three Services were to make preparations in consequence of the disquieting attitude of Italy. Apart from this possibility the Air Ministry did not propose at present to send any modern aircraft to Egypt, since the Department's programme was designed with a view to a re-equipment of the Royal Air Force against the menace in Northern Europe. In the ordinary way the overseas squadrons would be re-equipped with material that became surplus to home requirements, though ultimately the 'Wellesley' type were intended for service in the Middle East. If the Air Ministry were asked to take special precautions in the Mediterranean they proposed to send two Fighter Squadrons and a medium Bomber Squadron. This would involve the use of three ships and would take six weeks.

The President of the Board of Trade said that if precautions were taken on the scale of those taken in 1935 it would be necessary to requisition the shipping.

The Home Secretary felt some sympathy with the proposal of the Foreign Secretary, and hoped that something would be done to improve the standard of our defences in the Mediterranean.

The Secretary of State for the Colonies also supported the idea of improving the standard of our defences in the Mediterranean. He had received a visit from the Governor of Malta, who had urged that something should be done to strengthen the defences of that Island.

The Prime Minister recalled that at the last Meeting, referred to in the margin, the Cabinet had agreed that the best way of countering the disquieting attitude of the Italian Government was to cultivate better relations with the German Government. He thought it had been generally understood that special steps in the Mediterranean were unnecessary. If, however, it was thought desirable to make some further display of our strength, the best plan would be that the matter should be raised at the Committee of Imperial Defence.

The Cabinet agreed

That the Minister for Co-ordination of Defence should bring the Foreign Secretary's suggestion before the Committee of Imperial Defence in order that consideration might be given to the best way of meeting it.[3]

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[2] Cf. No. 24, note 2.

[3] See No. 59, note 1 below. In a memorandum of July 28 surveying the recent course of Anglo-Italian relations (R 5186/1/22), Mr. P. Nichols, a First Secretary in the Southern

Department, mentioned that on July 16 Mr. Eden spoke to Sir Ronald Graham, H.M. Ambassador at Rome 1921–33, who was contemplating a fishing visit to the King of Italy. 'He found that Sir Ronald entirely shared Sir Eric Drummond's apprehensions and those which Lord Chatfield had mentioned at the Committee of Imperial Defence as being entertained by the Commander-in-Chief in the Mediterranean. In Sir Ronald's view the Italians or many of them had it firmly in their heads that we meant to deal with them as soon as our re-armament had reached a sufficiently advanced stage . . . The Secretary of State then gave Sir Ronald a number of assurances as to our peaceful intentions which he asked him to repeat to the King of Italy.'

No. 41

Mr. Eden to Sir N. Henderson (Berlin)

No. 905 [*C 4185/270/18*]

FOREIGN OFFICE, *July 15, 1937*

Sir,

I have received Your Excellency's despatch No. 551 of June 8th,[1] and I appreciate the reasons which have caused you to hesitate before carrying out the instructions conveyed to you in my despatch No. 687 of June 4th,[2] in which I desired you to seek another interview with General Goering and to invite him to explain more frankly the grounds on which the German people continue to regard England as the enemy in their path.

2. I still consider it important that this attitude on the part of Germans should not be allowed to pass unchallenged: the longer they continue to nurse what I believe to be largely imaginary grievances, the deeper will their resentment become. I had intended to ventilate with Baron von Neurath the question of German grievances against this country, but as the prospect of a visit from Baron von Neurath has now receded, I am anxious that Your Excellency should broach the matter with General Goering, who has himself repeated and endorsed the general accusations against the policy of His Majesty's Government.[3]

3. I hope it may not be necessary to have an acrimonious discussion with the General: I should desire a frank exchange of views, not for the sake of dialectics but in the hope that, if these questions are ventilated in a frank and dispassionate manner, it may be possible thereby to dissipate certain misunderstandings and to dispose the German Government to believe that, though the policy of His Majesty's Government may be guided by certain

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[1] Volume XVIII, No. 593.

[2] *Ibid.*, No. 574.

[3] Foreign Office telegram No. 137 of July 15 to Sir N. Henderson, despatched at 6.45 p.m., said that despatch No. 905, which was going by air mail, would necessitate his seeing General Goering at an early date. It was hoped that he would be able to arrange such a meeting before going on leave on the 19th, but if not the matter could stand over. In the first draft of this telegram it had been stated that he should if necessary postpone his departure on leave for a few days in order to have the interview without delay.

principles with which the German Government are not in sympathy, it is not inspired by deliberate or unreasoning hostility to Germany.

4. It is true, as you suggest in your despatch, that when you ask General Goering to support the statements he has made, he may be expected to recite a long list of subjects, among others those mentioned in paragraph 6 of your despatch, as regards which it may be commonly believed in Germany that there is a legitimate grievance against us. But a bare list of subjects would add little, if anything, to what we already know, and would merely be another way of generalising. What Your Excellency should try to obtain from General Goering is: first, an exact definition of the object of Germany's policy on each of the matters which he may mention; and secondly, a precise statement of the way in which, and of the occasions on which, in his view the action and policy of His Majesty's Government have prevented or are preventing the German Government from attaining their objective. Unless the German Government define with clarity what they are aiming at and indicate in what manner they think His Majesty's Government are obstructing the attainment of their legitimate objectives, they are not entitled to make these accusations against us.

5. Before, therefore, explaining the standpoint of His Majesty's Government, as suggested in paragraph 8 of Your Excellency's despatch, it is reasonable and necessary that General Goering should first elaborate his complaints with at any rate sufficient precision to enable His Majesty's Government to know with what they are charged. If, however, General Goering declines to define his grievances, then the answer which you have till now returned to this kind of generalisation and which you have set down in paragraph 9 of your despatch is clearly all that is possible and indeed desirable in the circumstances. But I hold strongly that the repetition of these generalisations is damaging to Anglo-German relations and can only lead to future misunderstandings and continued mutual resentment. It is for this reason that I desire Your Excellency to renew your efforts to obtain such clarifications as will enable both Governments to appreciate the nature and extent of their differences—at any rate those which are tangible and political as distinct from those which are psychological and the result of forces beyond the control of statesmen.

6. I shall be glad, therefore, if you will approach General Goering with an invitation to discuss the points on which he may think that His Majesty's Government offer unreasonable opposition to the realisation of legitimate German aims. Even though such a discussion may not lead to a settlement or adjustment of the matters at issue, I cannot help feeling that an exchange of views may clear the air and show in which direction a settlement might be sought.

7. It would be well at an early stage in the conversation to remind General Goering that this country is still a member of the League of Nations and is pledged to fulfil the League Covenant so far as lies in its power, and that His Majesty's Government therefore could not contemplate with detachment any forcible disturbance in the status quo. This is not to say that His Majesty's

Government are opposed to any discussion of change, for which, in point of fact, provision is also made in the Covenant. That changes, and even changes of great importance, can take place as a result of peaceful discussion has been repeatedly shown by recent experience. As evidence of this it is only necessary to quote the two Montreux Conferences,[4] the settlement of the Alexandretta question between France and Turkey,[5] the release of Belgium from certain obligations in April last,[6] and the Anglo-German Naval Agreement itself.[7]

8. For your own guidance and for such use as you may find desirable according to the manner in which the conversation develops, I will now furnish you with some basic arguments in respect of the various points enumerated in paragraph 6 of your despatch. I repeat that I am not seeking an acrimonious discussion with General Goering. I should be prepared to examine with interest and all possible sympathy what may be said on the German side in respect of each of these points. I am only afraid that if the case of the other side is allowed to go by default the German grievances may become magnified in German eyes and that they may fall into the error, of which they accuse us, of not taking into account the legitimate aspirations and sense of national pride of the other party.

9. As regards the Anschluss, it is evident that His Majesty's Government could not condone any change in the international status of Austria achieved by force against the will of the inhabitants. Even General Goering could hardly maintain that this is an unreasonable attitude. If he should ask what the attitude of His Majesty's Government would be in the event of a change of feeling in Austria, you might say that while you do not feel bound to answer such an hypothetical question, it is clear that in that event a new situation would have arisen which would affect the European equilibrium, and as such would be of the utmost interest to all Governments concerned in the maintenance of European peace. Meanwhile it does not appear that the majority of the Austrian people desire any change in the international status of Austria, but it would perhaps be unwise to stress this point unless you are satisfied that General Goering will not contradict such a statement and try and force you into a position of agreeing that a plebiscite is necessary and desirable in order to put the matter to the test.

10. As regards the problem of the *Sudetendeutschen* minority in Czechoslovakia, His Majesty's Government, far from standing in the way of Germany's wish to see the interests of this minority safeguarded, are, as a signatory of the Minorities Treaty and as a Member of the League, anxious that any reasonable grievances of the *Sudetendeutschen* should be removed, in so far as this may be done by methods consistent with Czechoslovak sovereignty. They have, in fact, already used their influence in Prague to this end, and will continue to watch the situation carefully. His Majesty's Government could not, however, condone any forcible interference in the internal affairs of Czechoslovakia.

11. The list of subjects given in paragraph 6 of your despatch does not

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[4] See Volume XVI, Chapter VI, and Volume XVIII, Appendix II.

[5] Cf. Volume XVIII, No. 54, note 2. [6] See *ibid.*, No. 431. [7] See Volume XIII, No. 348.

include the question of Germany's interests in the Danubian Basin as distinct from Austria and Czechoslovakia. Should General Goering mention these interests, you could enforce your point that so long as Germany's objectives are entirely undefined and Germany's grievances entirely unspecified, it is impossible for His Majesty's Government to answer the charge of standing in Germany's way. As I explained in my speech in the House of Commons on June 25th,[8] His Majesty's Government cannot, even if they would, disinterest themselves in the course of events in this part of the world, any more than they can disinterest themselves in the course of events anywhere else on the earth's surface, as conditions are today. This is bound to be the case, inasmuch as the Danubian States are League members with Great Britain, and because any mishandling of the problems of Central Europe would undoubtedly endanger the peace of Europe as a whole. For this latter reason His Majesty's Government must needs sympathise with any efforts the Danubian States may make to collaborate together for the maintenance of peace and the increase of their mutual well-being. But this does not mean in any way that His Majesty's Government wish to deny that Germany and Italy have important economic interests in Central Europe which they naturally wish to preserve and foster.

12. To turn to Danzig and Memel, so far as His Majesty's Government are aware, the German Government have not hitherto put forward any concrete proposals for consideration. But in any event, any change in the existing position, if such is necessary, must—in the view of His Majesty's Government—be a negotiated change, and His Majesty's Government cannot be said to be opposing German interests because they maintain their opposition to any alteration in the existing position by unilateral action or by forcible means. In view of the present situation at Danzig, you might add that His Majesty's Government are anxious that the Danzig question should not give rise to an international crisis, with damaging consequences to Anglo-German relations. It is important, therefore, that further developments should be by way of evolution rather than of revolution. The Danzig question arouses close interest in political circles in this country, and if there were untoward developments the effect on British opinion would be serious. There is no truth in the assertion that His Majesty's Government or the League Council are standing in the way of progress. There would be no unreasonable opposition on their part so long as the evolution proceeded on constitutional lines and in a moderate and reasonable spirit.

13. When you speak of the question of the East generally I take it that you contemplate that General Goering may argue (to quote your predecessor's despatch No. 358)[9] that 'in the East, where no British interest is involved, Great Britain declines to give Germany a free hand or even to join the anti-Communist crusade'. In that case I am bound to suppose that the problem of the East and the problem of Communism are in German eyes one and the same. What the German Government complain of is that His Majesty's Government continue to cooperate with the Soviet Government in

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[8] See Volume XVIII, No. 670, note 5.

[9] Volume XVIII, No. 399.

European affairs; whereas Germany would like to see the Soviet Government completely isolated. This, I fear, raises a fundamental issue on which His Majesty's Government have made their position quite clear and on which they cannot compromise. His Majesty's Government must take the Soviet Government as they find them in the conduct of international affairs, nor refuse cooperation, if its offer appears to be genuinely made, simply on account of divergence of political creed, and they cannot join any combination against the Soviet Government on the ground that the Soviet Government is a Communist Government and as such ought to be boycotted. I have made it abundantly plain that His Majesty's Government's policy precludes them from joining any 'ideological bloc', but I must protest that this policy is in no way directed against German interests. Our decision not to treat Communism as the common enemy has not been taken in any spirit of hostility to Germany or to Nazism, nor can His Majesty's Government agree that it represents a determination on their part to obstruct the interests of Germany in the East.

14. As regards the colonial question, General Goering has himself recognised that this point is not a matter of immediate importance, while in Herr Hitler's plan of March, 1936,[10] it occupied a subsidiary place, and was only to be discussed after the settlement of a number of far more urgent matters. You should avoid any reference to Dr. Schacht's conversations on this subject with French Ministers and with Sir F. Leith-Ross,[11] unless General Goering mentions them. In the latter event, you might say that you understand the view of His Majesty's Government and of the French Government to be that the colonial question could not be considered unless and until agreement had been reached in principle on all the other elements which must go to make up a general settlement, and that Dr. Schacht was made aware of this view in Paris in May last. If General Goering should ask your views about the nature of such a general settlement, you should avoid any detailed discussion and should confine yourself to suggesting that once the precise character of Germany's so-called grievances was known, His Majesty's Government would be in a better position to consider on what lines a general settlement should be based.

15. If he should complain of the treatment accorded to German trade in British colonies and in territories under United Kingdom mandate, he can be assured that in every British colony Germany is permitted to trade on no less favourable terms than any other foreign country, and that in territories under United Kingdom mandate, German trade is still accorded equal treatment although, since Germany is no longer a member of the League of Nations, she is not now entitled to claim it.

16. As regards the question of export markets, I can offer no comment until I learn how General Goering may develop his complaints on this point.

17. If General Goering should allege as a grievance the lack of response on the part of His Majesty's Government to the Chancellor's various offers, it

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[10] See Volume XVI, Introductory Note to Chapter III.

[11] See Volume XVIII, Nos. 148, 210, 551, 556, and 671.

would be fair to point out to him that the Anglo-German naval agreement affords the best possible proof of the readiness of His Majesty's Government to respond to a genuine initiative on the part of the German Government. The fact that so little progress has been made on other matters referred to by the Chancellor from time to time is not attributable to His Majesty's Government any more than to any other Government, including the German Government itself; indeed no Government has made more strenuous efforts than His Majesty's Government to bring to fruition the various proposals made to restore the situation created by the repudiation of the Locarno Treaty in March 1936, and in particular, to make possible the negotiation of a security pact for Western Europe. I doubt whether it would be profitable to pursue this theme very far: what we want to do is less to review the past than to discover what Germany thinks ought to happen in the future.

18. As to Spain and the British press, I feel sure that Your Excellency will be able to meet anything that General Goering may say without further guidance from me.

19. I am content to leave it to Your Excellency to choose the most suitable moment for opening your conversation with General Goering, though it would be well that it should, if possible, take place at a fairly early date. I must also leave the conduct of the conversation to Your Excellency's discretion, though I hope, as I have indicated, that it may be possible to avoid a controversial form and to give it the turn, which I should like it to have, of endeavouring to remove misconceptions and of seeking to find the direction in which we might progress towards the remedy of legitimate grievances. Your object will be to convince the General, if he is at all open to reason, that His Majesty's Government have not to their knowledge adopted a policy hostile to Germany's legitimate interests; that they are only seeking to elucidate Germany's grievances in order that they may, where these are shown to exist, try to find a remedy by friendly discussion with the German Government; and to persuade him to exercise his great influence to further the cause of Anglo-German understanding and co-operation which he professes to have so much at heart.

I am, etc.,
ANTHONY EDEN

No. 42

Letter from Mr. Newton (Prague) to Sir A. Cadogan

[C 5421/3/18]

Secret PRAGUE, *July 15, 1937*

Dear Cadogan,

The fears referred to in your Secret letter of the 8th of July[1] are a natural product of the present international situation and seem to be based on deduction and speculation rather than on any definite facts. After the Russian executions, the bombardment of Almeria, and the cancellation of Neurath's visit to London similar fears were rife here, as reported in my telegram No. 70 Saving of June 24th.[2] The reasons which I there summarised correspond with those in your letter but add two more, namely the Russian executions and the heady effect of successes in Spain. The last was probably a real factor because a reliable English friend, who met various Nazis in Munich shortly after the bombing of Almeria, told me that in consequence of this independent assertion of German power Hitler's stock had never stood so high.

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[1] No. 26.

Even at that critical date immediate danger for Czechoslovakia or Central Europe was not anticipated and since then my impression is that anxiety here has diminished. It is an ill wind etc. and as Fierlinger, the Political Director at the Ministry for Foreign Affairs, said to me after a game of tennis, at a time when the Spanish situation looked particularly bad, 'a game cannot well be played with two balls at once'. More recently, on July 12th, Dr. Krofta[3] also showed no undue fears in regard to German intentions. He said that, while Neurath was intensely nationalist he and the Army were disposed to be moderate, and that, although Goebbels would perhaps lend himself to trouble making, Goering had remarked 'Der Führer und ich möchten eine Verständigung'. Eisenlohr, the German Minister here, has also given me to understand that Goering, who used to be bellicose towards Czechoslovakia, is not so at present, owing, it was implied, to the persuasions of Eisenlohr himself.

By isolating Czechoslovakia diplomatically, and by loud cracks of the whip from time to time varied by occasional indications that a carrot may also be at hand, Germany seems to be trying to manœuvre Czechoslovakia into her camp, or at least into a position where she will be powerless to act as a check on German policy. The whip has just been cracked again over the Weigel affair,[4] and as the Czechoslovak Government seems to be showing signs of being amenable over that case and also in regard to co-operation with Henlein,[5] I should not be altogether surprised if it were now the turn for a glimpse of the carrot in the form of renewed overtures. Previous approaches are referred to in paragraphs 2 and 3 of my despatch No. 78 of March 19th.[6] Some adjustment of Czechoslovakia's relations with Germany, to correspond to the growth of German power and the effect of the occupation of the Rhineland on the ability of France to protect her allies, may be natural and wise. Both Germany and Czechoslovakia probably have hopes that Great Britain will ease this adjustment. Germany may expect that we will at least put pressure on Czechoslovakia in regard to the Sudeten German question (see paragraph 8 of my above-mentioned despatch), while Czechoslovakia probably hopes that, by means of a new Locarno or talks with Baron von Neurath or otherwise, His Majesty's Government will promote an international settlement under cover of which she can improve her relations with Germany. Meanwhile, Germany is for the time being much occupied in Spain, and the very fact that Nazis expect France to fall into chaos should incline them towards a waiting policy.

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[2] Not printed (R 4424/188/12).

[3] Czechoslovak Foreign Minister.

[4] Herr Bruno Weigel, head of the illegal Nazi organisation in Prague, was arrested for industrial espionage in November 1936, and on his release in May 1937 made allegations that he and other German prisoners had been tortured and mistreated in prison. His case became the subject of an anti-Czech press campaign in Germany.

[5] Leader of the *Sudetendeutsche Partei*.

[6] Not printed (R 2163/188/12).

While the foregoing seem to me to be reasons why Germany should refrain from any immediate adventure in Czechoslovakia, Hitler is an opportunist, his mind is no doubt unpredictable, and the situation must remain pregnant with danger unless and until some general settlement of *détente* can be brought about and Germany realises that her rise to a new level has gone as far as it prudently can for the time being. A Spanish statesman has remarked that 'Dictators have to keep on pedalling or they will come down.' This may be true only in part of Hitler as Germany likes an authoritative system for its own sake. But Goebbels lives by stunts, and Germany is ruled by revolutionaries whose experience at crises in their careers has been that the extreme course pays. If, at a time when the Spanish field of adventure has lost its attractions, France were really to fall into chaos while British rearmament was still incomplete, so that Germany felt that her relative strength was at its maximum, the temptation to impose terms on Czechoslovakia by force rather than to adjust relations by diplomacy might well prove irresistible.

A mere *Putsch*, however, against Czechoslovakia would hardly suffice. The Government here have been using the 20th anniversary of the militarily unimportant battle of Zborov[7] to organise patriotic demonstrations by the Army throughout the country. They have for some time past been actively engaged in strengthening their frontier defences, and they are allowing the military authorities to spend pretty well what they like on armaments. Czechoslovakia might be a toughish nut to crack. Unless, therefore, the dislike of the Teuton for the Czech prevails over reason and some of the abundant explosive matter in the Sudeten area gets ignited, it would seem to be more profitable for Germany to tackle Austria before Czechoslovakia. Success there should be easier and, once Austria can be used as an instrument of German policy, the Czech fortress will be almost surrounded.

I am sending copies of this by bag to Berlin, Vienna and Paris.

Yours ever,
BASIL C. NEWTON

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[7] This battle of July 1917 marked the first victory for a legion formed by T. G. Masaryk from Czechs in Russia as part of his struggle to convince the Allies of the necessity for Czechoslovak autonomy.

No. 43

Letter from Sir O. Sargent to Sir N. Henderson (Berlin)

[*C 4565/270/18*]

FOREIGN OFFICE, *July 15, 1937*

Dear Nevile,

We have been revolving in our minds the last paragraph of your despatch No. 595 of the 23rd June,[1] where you say 'If Germany's legitimate and natural aspirations are in fact not being opposed by His Majesty's Government, it is dangerous and deplorable that the contrary impression should exist'. It would be easy enough to answer this by saying 'Of course, His Majesty's Government are not opposing Germany's legitimate and natural aspirations', but that would be merely evading the issue and would naturally give no satisfaction to the Germans. The difficulty is that if the 'contrary impression', which you deplore, exists in Germany, it is because British uncertainties and doubts as to Germany's aspirations are wrongly interpreted as necessarily meaning opposition to those aspirations. These uncertainties and doubts in their turn are due to the fact that there is no agreement as to which of Germany's aspirations are, in our view, 'legitimate and natural', and no certainty that even if these 'legitimate and natural aspirations' were defined by us they would be accepted by Germany as the basis for a complete and lasting Europe settlement.

As this is the crux of the whole matter it is obviously important that we should get our minds as clear as possible on what we mean when we talk of Germany's 'legitimate and natural aspirations'. I wonder, therefore, whether you could help us by letting us know in as precise terms as possible how you visualise those particular German aspirations, which on the one hand we could consider legitimate and natural and which on the other hand the German Government would accept as adequate and satisfactory.[2]

ORME SARGENT

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[1] See No. 16, note 1.

[2] For Sir N. Henderson's reply see No. 53 below.

No. 44

Mr. Eden to Sir E. Drummond (Rome)

No. 241 Telegraphic [*R 4886/1/22*]

Immediate FOREIGN OFFICE, *July 16, 1937, 10 p.m.*

There is to be a Foreign Affairs Debate on Monday[1] when I propose to say something about the Mediterranean. It is my present intention to follow general lines of the speech I made in Warwickshire on July 3rd,[2] but to endeavour further to say something which might be calculated to improve

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[1] i.e. July 19.

[2] See No. 22, note 4.

Anglo-Italian relations. Thus I hope it may be possible for me to make clear that while we of course maintain our own views about the Mediterranean as being for us a main arterial road it does not mean that we do not fully recognise the rights of others in that sea, and in fact that there is plenty of room for all kinds of traffic on an arterial road. I hope also to be able to indicate that we still adhere to the Anglo-Italian declaration of January.[3]

Counsellor of the Italian Embassy has recently been asking vague but pertinacious questions about our attitude towards the Clayton understanding of 1927.[4] Some of these questions seemed to imply that we were not adhering to it. It might therefore not be harmful from the point of view of Anglo-Italian relations and would certainly [not] be so from the point of view of British interests, if I were to make plain that our policy in the Red Sea differs in no way from that in the Mediterranean. I would add that it always has been and is today a major interest to us that no great Power should establish itself on the Eastern shore of the Red Sea.

Do you see any objections to my saying this? You will bear in mind that I cannot at present allude to the Clayton Agreement by name as it has never been laid.

I should be grateful for an early reply, though I have not yet taken a final decision to refer to the Red Sea.

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[3] See Volume XVII, No. 530.

[4] See Series IA, Volume II, Enclosure in No. 469 for the Agreed Record, signed in March 1927, of conversations on the Red Sea between Sir R. Graham, H.M. Ambassador at Rome, and Sir Gilbert Clayton, Chief Secretary to the Government of Palestine 1922–25, on behalf of the British Government, and Signor Gasparini, Governor of Eritrea, and Signor Guariglia, Director General of the Italian Foreign Ministry, on behalf of the Italian Government. Both sides agreed that it was in their interest that no European power should have control of the Arabian shore of the Red Sea: the British Government stressed that imperial communications were of overriding importance for them.

No. 45

Minute[1] *by Sir O. Sargent on Anglo-Italian relations*

[*R 5323/1/22*]

FOREIGN OFFICE, *July 17, 1937*

It has been suggested that, in order to break the present deadlock in Anglo-Italian relations, an effort should be made to establish direct contact with Signor Mussolini, and that this might be achieved were the Prime Minister or the Foreign Secretary to address a personal letter to the Duce.[2]

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[1] A minute of August 6 by Mr. Nichols read: 'This minute is entered solely for purposes of record. Since it was written and submitted the direct contact between Signor Mussolini and His Majesty's Government has been achieved on the initiative of a message from the Duce to the Prime Minister via Grandi.' See Nos. 56, 64 and 65 below.

[2] Mr. Nichols wrote in his memorandum of July 28 (see No. 40, note 3) that at about this time (July 15) 'Lord Halifax made a suggestion to the Secretary of State that the latter should

The need for a personal discussion with Signor Mussolini, in contrast to Count Ciano, has been felt for some time past, and the matter has been discussed with Sir E. Drummond. It was proposed to him[3] that he should have a conversation with Signor Mussolini on the following lines:

(a) We harbour no spirit of revenge and our rearmament proposals, in regard to which we are in earnest, are not directed against Italy.
(b) Our armaments are designed to secure the safety of the British Empire, and will if necessary be used if that security is threatened.
(c) We are not prepared to put up with Italian blackmail, either in the Mediterranean or in the Near East, and cannot allow our vital communications to be threatened by Italian pretensions.
(d) We do not consider recent Italian propagandist activities, of which a list can be supplied, to be consistent with either the spirit or the letter of the Declaration of January 2nd,[4] and we do not intend to tolerate them, as we regard our interests in the areas mentioned above as vital.
(e) If these activities continue we shall have to consider the advisability of a public statement to the effect that we regard the Declaration of January 2nd as null and void, due to subsequent Italian action and policy. (This last statement to be hinted at rather than made in plain terms).

In his reply[5] Sir E. Drummond demurred at having a conversation with Signor Mussolini (i) because he had no *locus standi* for asking for a conversation, and in present circumstances he might meet with a refusal, which would be embarrassing; (ii) because the suggested conversation, if conducted on the lines indicated above, would be treated by Signor Mussolini as a threat, or else as a piece of bluff which he might call, with embarrassing results.

As an alternative Sir E. Drummond has suggested that he should postpone any discussion with Signor Mussolini until *de jure* recognition of the Italian conquest of Abyssinia has been granted, on the ground that he sees little chance of getting back to normal terms with the Italian Government until we have given some public definite proof that we are not waiting for an opportunity to drive the Italian out of Abyssinia. He has also proposed a modification of (c) (d) and (e) so as to remove the appearance of a direct threat.

I have summarised this exchange of views with Sir E. Drummond, since it may serve as a useful background against which to consider the plan of a

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write a personal letter to Signor Mussolini, though the origin of this suggestion is not clear; presumably Lord Halifax put it forward as one means of dealing with the serious situation disclosed in Sir Eric Drummond's letter, which had lately been discussed by the Cabinet' (see No. 24). On July 16 Mr. Eden asked Sir R. Graham for his opinion on the suggestion that he should write a personal letter to Signor Mussolini. 'Sir Ronald was strongly in favour of the idea and said it was the kind of action that the Duce appreciated.'

[3] See Volume XVIII, No. 601, note 2.

[4] See Volume XVII, No. 530.

[5] See Volume XVIII, No. 658.

personal letter to Signor Mussolini. This plan has the advantage of getting over the difficulty under which Sir E. Drummond labours of not having any *locus standi* for asking for an interview with Signor Mussolini. Further it offers an opportunity for an immediate approach to Signor Mussolini instead of waiting indefinitely until the situation has so improved as to reduce to a minimum the danger of a refusal by Signor Mussolini to receive Sir E. Drummond.

On the other hand, the idea of a personal letter is by no means free from pitfalls. Such a letter at this particular juncture might give Mussolini the impression that H.M. Government had got frightened and that an Italian friendship had become essential to them. Secondly, even if Mussolini answered favourably, there is no reason to hope that mutual protestations of goodwill would in present circumstances produce any more tangible and lasting result than did the Declaration of January 2nd. In the absence of any concrete evidence such as *de jure* recognition Italy's fundamental misunderstanding would remain, based as it is on the delusion that H.M. Government are planning to revenge themselves on Italy as soon as a suitable occasion presents itself.

Assuming, however, that the advantages of sending a letter outweigh the disadvantages, the following questions present themselves:

Signatory of Letter. Should the letter be signed by the Prime Minister or the Secretary of State? As Head of the State Mussolini might expect to be addressed by the Prime Minister, and the fact that Mr. Chamberlain has just become Prime Minister would serve as a convenient pretext for such a letter at this moment. Again, Signor Mussolini's personal prejudices cannot be ignored, and these would perhaps come less into play if the letter were from the Prime Minister. On the other hand, Mussolini might misinterpret a letter from the Prime Minister as a rebuff to the Secretary of State and a change in British policy. Again, if the letter contained not generalities but concrete proposals it would be more natural that it should emanate from the Secretary of State.

Contents of Letter. The letter obviously could not be written in the somewhat minatory tone which was laid down for Sir E. Drummond's proposed conversation. It would either be an appeal to goodwill and understanding in general terms, or else it might contain certain concrete proposals for improving the present situation. A letter merely confined to generalities would, I am afraid, produce very little result in the present atmosphere, and would indeed be open to the dangers I have already indicated. On the other hand, when it comes to concrete proposals, the only thing that suggests itself is a discussion as to the termination of propaganda in the Near East and the definition of British and Italian interests in the Red Sea. The letter might, in fact, suggest that the time has come when Count Ciano and Sir Eric Drummond should be instructed to discuss these matters with a view to reaching a friendly settlement. Such a discussion on the Red Sea question might indirectly help towards reassuring Mussolini that we are not planning to drive Italy out of Abyssinia. There are, of course, a number of local questions affecting the Sudan and Abyssinia which might have the same effect and which ought sooner or later to be taken up. I have consulted Mr. Campbell with regard to these, but it appears unfortunately that they are all dependent upon the prior recognition of the *de jure* sovereignty of Italy over Abyssinia and are not therefore available for our present purposes.

Method of Communication. Sir E. Drummond would presumably be instructed to present the letter to Mussolini. The very fact that he was the bearer of the letter would give him access to Mussolini and thus afford him an opportunity of supplementing it with a useful conversation. In that case Sir E. Drummond would have, if necessary, to postpone his leave for a short time.

Date of Despatch. It probably would be advisable to wait and see what is the outcome of the present Non-Intervention crisis before drafting the letter, still less before despatching it. If Non-Intervention breaks down completely the situation as regards Anglo-Italian relations may well be so altered as to make it necessary to reconsider the whole question of a personal letter to Mussolini. In any case it would be clearly desirable to choose if possible for the despatch of the letter a moment when a temporary *détente* in Anglo-Italian relations, either in Spain or elsewhere, had occurred.

I am afraid in present circumstances we cannot expect very much result from a personal letter, and there are certain dangers that our action might be misinterpreted in various ways. But the present situation is so unpleasant that it might all the same be worth while trying this plan, especially if we can introduce some more or less concrete suggestions into the letter on which subsequent conversations between the two Governments might be started.

In any case I would suggest that we should consult Sir E. Drummond before taking any decision.

O. G. SARGENT

No. 46

Letter from Mr. Strang to Sir G. Ogilvie-Forbes[1] *(Berlin)*

[*C 4167/1/18*]

FOREIGN OFFICE, *July 17, 1937*

Dear George,

I enclose a copy of our latest Locarno memorandum, which was handed to representatives of the Belgian, French, German and Italian Embassies in London yesterday.[2] An official copy will reach you in print in due course.

We are not disclosing to the press even the fact that this new memorandum has been delivered, and have so informed the representatives of the four Embassies.

Yours ever,
WILLIAM STRANG

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[1] H.M. Minister at Berlin. Similar letters were sent to Mr. H. Lloyd Thomas, H.M. Minister at Paris, Sir N. Charles, Counsellor of H.M. Embassy at Brussels, and to the Chancery, H.M. Embassy, Rome.

[2] A French translation of the memorandum is printed in *D.D.F.*, *op. cit.*, *Annexe* to No. 243.

ENCLOSURE IN No. 46

Memorandum by His Majesty's Government in the United Kingdom regarding the Agenda of the Five-Power Conference

FOREIGN OFFICE, *July 16, 1937*

1. His Majesty's Government in the United Kingdom have given their careful attention to the memoranda addressed to them by the Belgian, French, German and Italian Governments in reply to their communications of November 4th[3] and November 19th 1936,[4] on the subject of the proposed negotiation of a treaty to take the place of the Treaty of Locarno.

2. His Majesty's Government would express their appreciation of the fullness and frankness with which the various Governments have stated their respective positions on the points submitted to them for consideration; and they are glad to note that, deeply as the analysis of the various outstanding problems has been carried, the Governments concerned are ready to pursue even further the search for a solution of the differences which still divide them. In more than one place in its memorandum of June 9th, 1937,[5] the French Government, while maintaining views which it itself holds, has expressed its readiness to examine any practical alternative solution that may be proposed; while the German and Italian Governments have, in their respective memoranda of March 10th[6] and March 12th, 1937,[7] invited further discussion and suggestion on various points at issue.

3. In considering how the further preparation of the proposed Five-Power Conference could most usefully be pursued in the future, His Majesty's Government have been much helped by a number of suggestions put forward in the memoranda which they have received. They have taken particular note of the observation of the Italian Government in its memorandum of March 12th, 1937, that 'from the practical point of view, it is of little use to discuss the details of the new treaty if, above all, the five Powers are not in agreement as to the nature of this treaty, the aims which it should fulfil and the limits within which it should operate.' The Belgian Government, for its part, has stated in its memorandum of February 11th, 1937,[8] that 'while wishing that diplomatic preparation may be as far-reaching as possible, it does not believe that the methods at present employed give reason to hope for an early result'; and that 'it is important that a new effort should be made to find an issue from this situation.' The French Government, in its memorandum of June 9th, 1937, has expressed the conviction that 'an agreement on the fundamental principles of the new treaty remains at the present moment quite possible of realisation,' and has repeated the useful proposal, first made in its memorandum of December 19th, 1936,[9] that 'as soon as the different points of view had been brought sufficiently near to each other, negotiations through the diplomatic channel should be succeeded by oral exchanges of view of a preliminary character, which would allow of the necessary adjustments.'

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[3] Volume XVII, No. 349. [4] *Ibid.*, No. 389. [5] See Volume XVIII, No. 552, note 1.
[6] *Ibid.*, No. 280. [7] *Ibid.*, No. 281. [8] *Ibid.*, No. 166. [9] See Volume XVII, No. 495, note 1.

4. His Majesty's Government agree that, profitable as the diplomatic exchanges have been in making clear the standpoints of the various Governments, a change of method would now be of advantage. To continue the correspondence on the same lines as in the past might well result rather in the detailed exploration of points of difference than in the establishment of points of agreement.

5. While it cannot be denied that the correspondence reveals considerable differences of opinion, His Majesty's Government consider, after a careful study of that correspondence, that these differences relate not so much to the principles on which the new treaty should be based, as to the particular methods to be adopted for giving effect to those principles in the detailed provisions of the treaty. If this is so, it seems plain that the next step should be an attempt to state the principles on which it seems probable, in the light of the correspondence, that general agreement exists; if it is agreed that these principles should form the basis of the treaty, the methods to be adopted for giving effect to them would be a matter for discussion and negotiation.

6. His Majesty's Government have therefore drawn up, and would submit for the consideration of the four Governments, the annexed statement of the principles which, in the light of their study of the whole correspondence, they believe to represent the common view of all the Governments concerned. His Majesty's Government have found it necessary to state these principles in somewhat general terms, and they do not conceal from themselves that considerable difficulties may be encountered in reaching agreement as regards the application of these principles, but they consider that, if agreement can be reached on the definition of the principles themselves, these difficulties should be capable of solution by frank discussion.

7. They would accordingly propose that, once agreement is established on the principles on which the treaty should be based, the method of their application should be made the object of preliminary technical examination at a meeting of experts appointed by the five Governments. The purpose of this meeting would be to determine how far agreement already exists upon the method of application of the principles; to explore the nature of the differences that remain; and to suggest possible means for their solution.

8. His Majesty's Government would be glad to be informed of the views of the German[10] Government on the procedure suggested in the present memorandum, and on the draft which accompanies it.

9. A similar memorandum has been communicated to the Belgian, French, and Italian Governments.[11]

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[10] *Note in original*: Also Belgian, French, and Italian Governments.

[11] *Note in original: Mutatis mutandis.*

ANNEX TO NO. 46

Principles upon which the proposed Western Treaty should be based

The treaty should contain:

(i) Undertakings of non-aggression entered into by some signatories in respect of other signatories; and
(ii) Undertakings entered into by some signatories to come to the assistance of other signatories in the event of a violation of such undertaking of non-aggression.

2. The rendering of assistance by a signatory to a non-signatory, who had been the object of attack by another signatory, would not involve a violation of an undertaking of non-aggression entered into by the first signatory under paragraph 1 (i) above, provided that certain conditions were fulfilled. These conditions should be defined in the treaty.

3. (i) The question whether in any particular case a violation of an undertaking of non-aggression contained in the treaty had been committed, and consequently whether action by one signatory against another signatory was called for under paragraph 1 (ii) above, should not be left to the arbitrary judgment of the former signatory itself, but should be a matter for impartial international decision. The same would apply to the question whether in any particular case action by one signatory against another signatory under the principle stated in paragraph 2 above was legitimate under the treaty.

(ii) Signatories should not be precluded from giving effect without delay to their undertakings of assistance under the treaty in cases where immediate action was necessary, provided always that the question whether such action was legitimate under the treaty would be a matter for impartial international decision.

(iii) The arrangements in regard to the international decisions referred to in paragraphs (i) and (ii) above should make it possible for these decisions to be taken in all cases with appropriate speed.

4. The question of how effect should be given in the treaty to the above principles would be a matter for discussion and negotiation. While it would probably be desirable to proceed, so far as present circumstances permit, on the basis of the Treaty of Locarno, no proposal which is designed to produce the desired result should be excluded from consideration.[12]

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[12] At the meeting of the Cabinet on July 28 Mr. Eden referred to the new Note which he had recently sent to the Governments concerned in the Five Power negotiations, and which had already been circulated to the Cabinet. He did not expect any rapid development of the situation to arise from this Note, but thought that it would serve to keep the question alive and might bring about some progress.

No. 47

Letter from Count Raczynski[1] *to Sir R. Vansittart*

[C 5832/1/18]

POLISH EMBASSY, LONDON, *July 17, 1937*

Dear Sir Robert,

You will remember the conversation we had at your office on June 29th when after visiting the Secretary of State for Foreign Affairs[2] I took the liberty of calling on you and of submitting to you the point of view of my Government regarding a new political Pact destined to take the place of the Treaty of Locarno. You suggested on that occasion that I should put my observations on paper and send them to you in a private letter when you would be in the position of considering them at leisure, and of giving me your opinion on the matter. I am very pleased indeed to follow your advice, and although I took some days before writing to you, you will, I hope excuse this delay which was due to pressure of business.

Conditions prevailing during the time of the signature of the Locarno Treaties—very different from what they are to-day—explained and at the same time justified to a large extent its limitations. In the West of Germany, the Demilitarised Zone, whilst strengthening the security of France and Belgium was in itself responsible for a special 'regime' on that frontier. On the other hand the status of other parts of Europe established but recently on the basis of the Peace Treaties had not yet been subjected to the test of experience. As regards more specially my country, it suffered from strained relations with its Western neighbour, a fact which to our French ally necessarily appeared as a burden and a handicap, and which was sometimes invoked also in this country in order to bring out the dangers inherent to European 'entanglements'.

There is no need for me to say that in spite of all these reasons and other which could be added to them, the Treaties of Locarno did not give satisfaction to my country. The material and juridical difference they established between conditions on the Western and Eastern frontiers of Germany was resented as unjustified as well as unpractical. The Polish-French Pact of Guarantee signed on the same day as the Rhine Pact did not obviate this undesirable state of things.

Since 1925 several important changes took place in Europe. Of that number two bear more specially on the subject of this letter,—the disappearance of the Demilitarised Zone and the change in the political status of Belgium.

Poland on the other hand has in the meantime achieved considerable and valuable progress in her efforts tending to general stabilisation of conditions in her region of Europe. As you will remember she signed in 1932 a Pact of Non-Aggression with Soviet Russia. In July 1933 she contributed to bring about and signed with Russia together with all Russia's Western and South-Western neighbours a Convention for the Definition of Aggression, placing thus her Non-Aggression Pact on a more solid foundation. In January 1934 she signed with Germany the important Agreement establishing her relations with that country for 10 years on a footing of neighbourly understanding and mutual respect.

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[1] Polish Ambassador at London.

[2] See Volume XVIII, No. 667.

In these circumstances Poland feels entitled to expect, as an indispensable condition for her useful collaboration with the Western Powers, to achieve in a new political Pact to be established in place of the Treaty of Locarno—a position more favourable than that she was given under the latter and which to-day she could not, I am afraid, accept as satisfactory.

In the course of our conversation I suggested as you remember one particular way of meeting my country's 'desiderata'. I said that the Polish-French Alliance on the one hand, and the Polish-German understanding (in which due account of the Alliance was taken) on the other, would justify my country's expectation that in the case of the conclusion of a Pact based on three-sided agreements between Great Britain-France-Germany and France-Germany-Italy this Pact should be logically and usefully implemented by a similar agreement between Poland-France and Germany.

I am aware of the fact that this suggestion might strike at first sight by its novelty. It is for that reason that it was received with a certain hesitation by the French Government, to whom it was as a matter of course conveyed in the first place. The French Government appeared somewhat concerned mainly, I think, by the difference which the Polish suggestion implied in the relations between France and Poland, as compared with those of France with Soviet Russia. But this objection will not, I think, bear close scrutiny. The difference is not artificial nor would it be created by a diplomatic instrument drawn up on the lines indicated above. It proceeds in the first instance from the fact that relations between Poland and Germany differ from those prevailing between the Soviet Union and Germany, and it is above all based on the fundamental geographical fact that Soviet Russia is not, as is Poland, the neighbour of Germany.

This suggestion would, if carried into effect, greatly contribute towards establishing the peace of Europe. It would, at the same time, mean no extension whatever of British liabilities to its Eastern half. We should be, of course, ready at any moment, should your Government so desire, to make it the subject of a more detailed discussion.

But as you will certainly remember, I tried to make it quite clear that the Polish Government are not attaching an overdue importance to the purely formal aspect of the question, nor do they attach themselves to one particular solution. They are supremely concerned that a form should be found under the new Political Pact which would give a proper expression to Poland's participation in it. This desire of my country cannot, I think, be freely dismissed with the argument that it would reduce the chances of an ulterior 'general European settlement'. The same argument, should it be valid, could be applied with as much justification to a purely 'Western Locarno'. I think, on the contrary, that the erection of a general 'superstructure' would not be thereby in any way affected.

Will you allow me to add in conclusion that my Government firmly hope that the British Government will see their way to give this matter their friendly and sympathetic consideration, of which they have already given Poland so many proofs, and which has in particular found its expression in the agreed *communiqué* issued on the occasion of the official visit paid to London by Colonel Beck[3] in November last year.[4]

Believe me, Dear Sir Robert,
Yours very sincerely,
EDWARD RACZYNSKI

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[3] Polish Foreign Minister.

[4] See Volume XVII, No. 364, note 3. This letter was not thought in the Foreign Office to 'add much to our understanding of the Polish proposals'. In a minute of July 22 Sir O. Sargent wrote: 'Thanks to the Ambassador's absence on leave we have a good excuse for not answering this letter until & unless Ct Raczynski returns to the charge after his leave. I don't think we want, if we can help it, to enter into a detailed discussion with the Polish Govt. over what is in present circ[umstance]s a largely academic question & one moreover which in any case arises out of a Franco-Polish disagreement . . . we don't seem to know what the Polish case is and I don't see that it is any of our business to help the Polish Govt. to formulate it. It would only annoy the French & do no good . . .' But he thought it would be as well to explain the Foreign Office's attitude to the British Chargé in Warsaw, Mr. Aveling. Sir R. Vansittart wrote on July 24: 'I agree to the action & inaction proposed.' Mr. Strang summed up Foreign Office views on the subject in a long letter to Mr. Aveling of August 13 (C 5185/1/18), concluding that 'any attempt to give substantial satisfaction to the Poles in their new demands will make the conclusion of a new Western treaty even more difficult than it is, if not impossible'.

No. 48

Sir E. Drummond (Rome) to Mr. Eden (Received July 18, 9.30 a.m.)

No. 401 Telegraphic [*R 4904/1/22*]

Important ROME, *July 18, 1937, 6.20 a.m.*

Your telegram No. 241.[1]

Such a speech as you suggest seems to me likely to have a useful effect at the present juncture particularly as ground has been prepared by Lansbury's interview[2] and there are signs, notably the disappearance of anti-British tone in the more important Italian newspapers in the last few days, that Signor Mussolini may be anxious to restore relations between the two countries to a more friendly condition.

In regard to Mediterranean would you find it possible to add:

1) that we have never challenged Italian claim that that sea is of vital interest to Italy indeed we recognize that such is the fact;

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[1] No. 44.

[2] Mr. George Lansbury, Leader of the Labour Party 1932–35, had interviews with Signor Mussolini on July 9 and July 12, reported in Sir E. Drummond's telegrams 388 of July 10 (R 4754/1/22) and 392 of July 14 (R 4839/1/22). On both occasions Signor Mussolini stressed his desire for friendly relations with Great Britain.

(2) that free traffic through and out of the Mediterranean is the common interest of Great Britain and Italy and of all Mediterranean Powers.

Such language would be a confirmation of Signor Mussolini's views and would I feel be appreciated here.

Red Sea—please see my despatch No. 218 March 15th.[3]

I think that a statement can only be useful as it will clarify the position and I do not see how any harm could be caused by it. Would it be possible to arrange for some aspect of the Red Sea problem to be raised either in a question or in a speech previous to yours so that any reference to it by you would appear to be quite natural? Even if this is not possible the enquiries made by the Counsellor of the Italian Legation will I consider afford sufficient grounds for explaining if necessary to Italian Government the reasons for your statement.

I assume that you will make it clear when ready that it is a major interest to us that no Great Power should establish itself on the Eastern shore of the Red Sea and that we include ourselves in this definition.[4]

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[3] Not printed.

[4] Addressing the House of Commons on July 19, Mr. Eden gave a brief survey of world affairs, and said that His Majesty's Government should certainly defend Britain's place on that 'arterial road', the Mediterranean. But as her agreement of the previous January with Italy showed, she would never try to turn others off it. In reference to certain reports he wished to point out that there was no equivalent to the word vendetta in the English language. These sentiments also applied to the Red Sea. 'It has always been, and it is today, a major British interest that no great Power should establish itself on the Eastern shore of the Red Sea. I need hardly add that this applies to ourselves no less than to others.' 326 *H.C. Deb. 5 s.*, col. 1805.

In telegram No. 405 of July 20 Sir E. Drummond reported that an official Italian spokesman had described Mr. Eden's speech as 'specially acceptable'; his references to the Mediterranean situation were described as 'based on a real understanding of the situation'.

No. 49

Sir M. Lampson[1] *(Cairo) to Mr. Eden (Received July 21, 9.30 a.m.)*

No. 410 Telegraphic [*R 4977/1/22*]

Secret CAIRO, *July 20, 1937, 11.53 p.m.*

I note from Rome telegram No. 125 Saving[2] that Sir E. Drummond did not consider on June 11th that Signor Mussolini was contemplating any sudden act such as I had feared and discussed in my telegram No. 52 Saving.[3] Yet on July 3rd (Rome telegram No. 374)[4] His Excellency represented to you that a frank and very natural remonstrance on our part at Signor Mussolini's charge that His Majesty's Government had broken non-intervention agreement might lead the Duce to so drastic a measure as breaking off of diplomatic relations with us. If that is true it goes far I submit to justify my earlier apprehension which nothing has so far allayed. Viewed from local angle situation vis-à-vis Italy looks as ugly as ever.

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[1] H.M. Ambassador at Cairo. [2] Volume XVIII, No. 601. [3] *Ibid.*, No. 529.

[4] No. 13. What Sir E. Drummond was worried about was the danger of accusing the Duce of a deliberate lie. He did not object to the making of a protest with a slightly different wording.

2. Time within which Italy can hope to find us unprepared is I trust running out and I feel bound therefore to call attention that potential danger arising from the fact of the forthcoming Italian army manoeuvres in Sicily and restoration of Libyan garrison to its strength during Abyssinian crisis may coincide with a period of disturbances in Palestine and tension between ourselves and the Arabs in general over Palestine report.[5]

3. As Nahas Pasha implied to Italian Minister (see my telegram No. 86 Saving)[6] Libyan garrison can only be directed against Egypt. I have received recent reports from reliable British and Egyptian sources that military development and organisation of Libya has been intensified and that Italian propaganda is being actively conducted in Western desert. Secret reports indicate that Italian Consul-General at Alexandria is involved.

4. Sir E. Drummond confirms that Italian policy is turning more and more to Mediterranean and[7] Africa. In the event of any set-back to Franco in Spain and a favourable situation in Arab countries (in spite of recent Bari censorship Italian propaganda can hardly be expected in long run to neglect opportunities offered by Palestine report), can we safely assume that Signor Mussolini will not be tempted to use against ourselves in Egypt his reinforced Libyan garrison and his forces concentrated for Sicilian manoeuvres.

5. He could hardly do so unless he could count on German support. The difficulties of our reaching an understanding with Germany were well demonstrated by the sudden and the discourteous cancellation of Baron von Neurath's journey to England[8] (? on pressure from Rome) but I am nevertheless emboldened to repeat the view that it is through Germany that we can best counter Italian danger which otherwise I am convinced we cannot rule out of our calculations.[9]

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[5] See No. 19, note 1.

[6] Of July 14, not printed (J 3272/244/16). Nahas Pasha was Head of the Egyptian Government.

[7] The word 'and' here was inserted in ink on the filed copy.

[8] See Volume XVIII, No. 630.

[9] This telegram attracted some extensive minutes. Sir O. Sargent wrote on July 22: 'Though not wishing to minimise the "Italian danger", I think we must discount somewhat Sir Miles Lampson's Italophobia, which makes him see every Italian action in the worst possible light . . .' Sir R. Vansittart thought it 'a great mistake to believe that Italy is arming *only* because she is afraid we might attack her. There are besides very strong & notorious expansionist tendencies in Italy. They *may* not be intended for any early application, but their presence is incontestable. R.V. July 23.' Mr. Eden wrote a very long minute on the theme that 'Mussolini has the mentality of the gangster', a passage which is printed in his memoirs (*Facing the Dictators* London, 1962), p. 451). A further passage was as follows: 'We must bear in mind that if Italy ever contemplates aggression against us she is probably better placed for the purpose now than she ever will be again. Not well placed of course, but these things are relative & all evidence shows that Italian belief in our decadence is real . . . A.E. July 24.'

No. 50

Conclusions of the fifty-eighth meeting of the Chairman's Sub-Committee of the N.I. Committee, held at the Foreign Office on Tuesday, July 20, 1937, at 10.30 a.m.

[*W 14533/169/41*]

2, WHITEHALL GARDENS, S.W.1, *July 20, 1937*

PRESENT: *United Kingdom*: The Earl of Plymouth, *Chairman; Belgium*: Baron de Cartier de Marchienne[1]; *Czechoslovakia*: M. J. G. Masaryk[2]; *France*: M. Charles Corbin; *Germany*: Herr J. von Ribbentrop; *Italy*: Signor Dino Grandi; *Portugal*: Senhor A. R. de S. Monteiro; *Sweden*: Baron Carl Leijonhufvud[3]; *U.S.S.R.*: M. Jean Maisky[4]; Mr. Francis Hemming, Secretary to the Sub-Committee.

The United Kingdom Government's Plan

1. The Sub-Committee had under consideration the plan submitted by the United Kingdom Government on the 14th July, 1937,[5] and referred to the Chairman's Sub-Committee at the plenary session of the Committee held on Friday, the 16th July, 1937 (Committee Paper N.I.S.(36)599).[6]

LORD PLYMOUTH (*Chairman*) said that it appeared to His Majesty's Government that the most expeditious manner for the Sub-Committee to approach its task would be to reach agreement in principle in regard to the three main questions on which it would be necessary to make an approach to the two parties in Spain. With this object in view he proposed that the Sub-Committee should address themselves first to the three problems enumerated in paragraph 9 of the United Kingdom Government's proposals, viz.

'(1) The establishment of officers in Spanish ports (paragraph 1 (*b*) above).
(2) Withdrawal of foreign volunteers (paragraph 7 above), including the establishment of the Commissions in Spain.
(3) The conditions on which belligerent rights are to be granted (paragraph 3 above).'

and that these questions should be considered in the order there given, as reproduced above.

HIS EXCELLENCY COUNT GRANDI (Italy) said that he was in agreement with the statement made by the Chairman regarding the urgency of reaching, through the discussions to be started that day, a formula to serve as a basis to the negotiations between the Committee and the two parties in Spain. He proposed that at that day's meeting the Sub-Committee should reach agreement on the following points:

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[1] Belgian Ambassador at London.

[2] Czechoslovak Minister at London.

[3] Counsellor to the Swedish Legation in London.

[4] Soviet Ambassador at London.

[5] See No. 38.

[6] The reference is to the 26th and 27th meetings of the N.I. Committee, held in the Locarno Room at the Foreign Office at 11 a.m. and 4 p.m. respectively on Friday, July 16. Herr von Ribbentrop proposed at the morning session that the British plan should be referred to the Chairman's Sub-Committee.

(1) place on record that the system of naval patrols is no longer in force;
(2) the immediate re-establishment of the system of supervision on the land frontiers of Spain;
(3) immediate approaches to be made to the parties in Spain, in order to ascertain whether they are prepared to admit in their ports the observers of the Committee, with the tasks which Lord Plymouth had so well defined in his statement of last Friday (the 16th July).

His Excellency Herr J. von Ribbentrop (Germany) said that, in the view of the German Government, the mandate of naval control given by the Committee to the United Kingdom and France, jointly with Germany and Italy, had come to an end with the withdrawal from the control of the two last-named Powers. On the general question of the order in which the Sub-Committee should approach its task, he was prepared to discuss all the points raised in the United Kingdom Government's plan, but he could not agree to a procedure which would have the effect of smothering the question of belligerent rights in the same way as the question of the gold of the Bank of Spain had been smothered in previous discussions in the Sub-Committee.[7]

Lord Plymouth (*Chairman*) said that he had not anticipated that the question of withdrawing the remaining portion of the naval control, namely, that still being operated by the British and French fleets, would be raised at the present meeting, since, as he had explained, His Majesty's Government considered that there were other questions of greater urgency deserving the attention of the Sub-Committee. He had no instructions on the point raised by the Italian and German Representatives, but he took note of the views which they had expressed, which he would report to the United Kingdom Government. He would ask for instructions on this question.

After a further general discussion, the Sub-Committee turned to the consideration of the first portion of the United Kingdom Government's proposals, which related to the establishment, with the consent of both parties, of international officers in Spanish ports under proper safeguards (paragraph 1 (*b*) of the United Kingdom Government's plan).

The Sub-Committee agreed

(*a*) in principle that a provision on the lines of the proposal referred to above should be incorporated in the general plan to be submitted later to the two parties in Spain;
(*b*) to instruct Technical Advisory Sub-Committee No. 3 to prepare a report in the light of the following terms of reference:
to consider and advise what points relative to the proposal in

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[7] Cf. Volume XVIII, Nos. 71, 91, 115, note 9, 309, note 3, and 311.

paragraph A. 1 (*b*) of the United Kingdom plan (Committee Paper N.I.S.(36)599) relating to the establishment of international officers in Spanish ports should be included in the proposed general approach to the Spanish parties in regard to the plan as a whole.

Next Meeting

2. The Sub-Committee agreed

that their fifty-ninth meeting should be held at the Foreign Office at 4 P.M. the same afternoon for the purpose of continuing the discussion recorded in conclusion 1 above.[8]

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[8] See No. 51 below.

No. 51

Conclusions of the fifty-ninth meeting of the Chairman's Sub-Committee of the N.I. Committee, held at the Foreign Office on Tuesday, July 20, 1937, at 4 p.m.

[*W 14532/169/41*]

2, WHITEHALL GARDENS, S.W.1, *July 20, 1937*

PRESENT: *United Kingdom*: The Earl of Plymouth, *Chairman; Belgium*: Baron de Cartier de Marchienne; *Czechoslovakia*: M. J. G. Masaryk; *France*: M. Charles Corbin; *Germany*: Dr. E. Woermann; *Italy*: Signor Dino Grandi; *Portugal*: Senhor A. R. de S. Monteiro; *Sweden*: Baron Carl Leijonhufvud; *U.S.S.R.*: M. Jean Maisky; Mr. Francis Hemming, Secretary to the Sub-Committee.

The United Kingdom Government's Plan

The Sub-Committee resumed their consideration of the plan submitted by the United Kingdom Government on the 14th July, 1937, and referred to the Chairman's Sub-Committee at the plenary session of the Committee held on Friday, the 16th July, 1937 (Committee Paper N.I.S.(36)599).[1]

LORD PLYMOUTH (*Chairman*) suggested that, in accordance with the proposal which he had made that morning, the Sub-Committee should now consider item (2) of paragraph 9 of the United Kingdom Government's plan, viz.: 'Withdrawal of foreign volunteers, including the establishment of the Commissions in Spain.'

HIS EXCELLENCY COUNT GRANDI (Italy) said that he was unable to agree to this point. At the morning's meeting, the Sub-Committee had considered item (1) of paragraph 9 of the United Kingdom Government's plan, an item which contained an express reference to paragraph 1 (*b*) in the main portion of the United Kingdom plan. This dealt with one point only of the proposals for the re-establishment of control, namely, the establishment of international officers in Spanish ports. Before the Sub-Committee considered any other subject, it was essential, in his view, that consideration should be given to other parts of the United Kingdom Government's proposals in regard to control. He referred, in particular, to the 'Supervision of traffic entering Spain by land,' dealt with in paragraph 2 of Section A of the United Kingdom Government's plan. At the present time, control was only being exercised against territory under the jurisdiction of the Spanish Nationalist Government. As regards the order of discussion he asked only that the Sub-Committee should follow the order in which the various proposals were set out in the United Kingdom Government's plan.

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[1] See No. 50, notes 5 and 6.

His Excellency M. Charles Corbin (France) said that the question of land control to which reference had just been made, was intimately linked with that of naval control. In his view, it would be impossible to restore land control till a new system of control for the sea was established to take the place of the former naval patrols.

His Excellency M. Jean Maisky (U.S.S.R.) supported this view.

Dr. Ernst Woermann (Germany) agreed with the view expressed by the Italian Representative, and pointed out that in paragraph 2 of the United Kingdom Government's plan it was expressly stated that 'The system of supervision on the land frontiers should be restored at once.' How could this be done, if the consideration of this subject was postponed in the manner proposed?

His Excellency M. Charles Corbin (France) said that he had understood that the Sub-Committee at its morning meeting had agreed to Lord Plymouth's proposal that they should discuss the various proposals before the Sub-Committee in the order set out in paragraph 9 of the United Kingdom Government's plan. That was the logical order in which to approach the subject, since the three questions enumerated in that paragraph were those on which it would be necessary to approach the two Spanish parties. Every part of the United Kingdom Government's plan would require to be discussed, but the reasonable course would be to defer considering the other parts of the plan until agreement had been reached in regard to the three important questions enumerated in paragraph 9. It was essential that the order proposed by the Chairman should be maintained.

His Excellency Count Grandi (Italy) said that, according to his understanding, no agreement such as that referred to by the French Representative had been reached at the morning's meeting. All that he himself asked was that the Sub-Committee should follow the order set out in the United Kingdom Government's plan.

His Excellency M. Jean Maisky (U.S.S.R.) said that the whole United Kingdom plan was dependent on the questions relating to the withdrawal of foreign nationals from Spain. He thought, therefore, that the Sub-Committee should first tackle this question. He supported the proposals put forward by the Chairman.

His Excellency Senhor A. R. de S. Monteiro (Portugal) said that the proposals embodied in the United Kingdom plan represented a balanced whole, and that it would be necessary to discuss each proposal before any final decision could be taken on any of the proposals, and therefore before any approach could be made to the two Spanish parties in regard to the three questions set out in paragraph 9 of the United Kingdom plan. The simple course would be to follow the order set out in the United Kingdom plan, though for him this was not a fundamental question.

After further discussion, **Lord Plymouth** (*Chairman*) suggested that paragraph 2 of the United Kingdom Government's plan ('Supervision of traffic entering Spain by land') should be discussed as part of item (1) of paragraph 9 ('The establishment of officers in Spanish ports'), provided that it was clearly understood that the next point for discussion would be that set out in item (2) of paragraph 9 ('Withdrawal of foreign volunteers, including the establishment of the Commissions in Spain').

His Excellency Count Grandi (Italy) said that he was unable to accept this proposal. The Italian Government had accepted the United Kingdom Government's plan as a basis for discussion and they considered that the various items should be discussed in the order set out in the United Kingdom Government's plan and in no other.

Lord Plymouth (*Chairman*) said that it was clear that no agreement could be reached on the proposal for the order of discussion which he had made that morning. He suggested that in these circumstances the Sub-Committee should adjourn to enable him and other representatives to consult their respective Governments on the position which had arisen.

The representatives on the Sub-Committee indicated their concurrence in the foregoing suggestion of the Chairman.

The Sub-Committee agreed

> to proceed at once with the consideration of the draft of the *communiqué* to be issued to the press in regard both to this, and to the morning's meeting.

Adjournment of the Sub-Committee

The Sub-Committee agreed

> in accordance with the suggestion made by the Chairman at the conclusion of the discussion recorded in conclusion 1 above, to adjourn to enable representatives to consult their respective Governments on the position which had arisen.

Press Communiqué

The Sub-Committee agreed

> that the News Department of the Foreign Office should issue to the press the *communiqué* set out in Appendix 1 to these conclusions.[2]

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[2] Not printed here: cf. *The Times*, July 21, 1937, p. 13.

No. 52

Sir N. Henderson (Berlin) to Mr. Eden (Received July 22)

No. 678 [*C 5314/270/18*]

BERLIN, *July 20, 1937*

Sir,

General Goering was absent in Munich when I received your despatch No. 905 of July 15th[1] instructing me to seek an interview with him and to invite him to explain frankly and fully his reasons for stating on a previous occasion that the German people, however reluctantly, had come to regard England as the enemy in Germany's path. I caused, however, a message to be sent to him at Munich requesting him if possible to receive me before the 21st of this month when I proposed to go to Marienbad for a cure. General Goering received me this morning at his country place about an hour and a half from Berlin.

2. I began by telling the General that I wished to have a perfectly frank and friendly discussion with him and that it would simplify matters if he allowed me to read and leave with him a brief statement explaining as succinctly as possible the object of my visit. I accordingly read to him a German translation of the accompanying note,[2] the gist of which was that I requested him to furnish me, firstly, with a definition of Germany's policy in respect of any particular points, and, secondly, with a precise enumeration as to the manner in which and the occasions on which, in his opinion, the action and policy of His Majesty's Government had prevented or was preventing the German Government from attaining their objectives. I added that there were certain psychological differences, such as the recency of the Great War and our membership of the League of Nations which must inevitably come between us. It was not these which I particularly wished to discuss, but rather the specific tangible and political differences which had apparently led him to hold the view that it was England which was hemming Germany in and which was opposed in principle to every German aspiration, however legitimate. That was not a correct reading of the position, but correct or incorrect it could only lead to disaster. I was authorised to tell him that His Majesty's Government had never to their knowledge adopted a policy hostile to Germany's legitimate interests. They wished on that account to know where Germany imagined that they had, and they hoped by friendly discussion to find a remedy for misunderstandings in this respect. I had not come to ask for generalisations but for facts. Incidentally I could mention to him quite a number of cases where Britain since the war had shown a considerable sense of comprehension of Germany's standpoint. In this connection I quoted His Majesty's Government's opposition during the Versailles negotiations to the idea of a French Rhineland as well as to that of an independent Bavaria, the fairness

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[1] No. 41.

[2] See Enclosure in this despatch.

both of the British occupation in the Ruhr[3] and in the post-war plebiscites, as well as in reparation matters and in Britain's intervention at the time of the reoccupation of the Rhineland.

3. The conversation which followed this statement was not very enlightening either as regards Germany's definite ambitions or as regards specific cases in which England had shown herself hostile to Germany's aspirations. It was, said General Goering, difficult for any country to say openly in advance what its ultimate ambitions were. He undertook, however, to study carefully the note I left with him, and to endeavour to compile an answer in chapter and verse on the points I had raised.

4. Otherwise the discussion was mostly on general lines. As I had begun with the League of Nations General Goering's first comment was also on that subject. Britain's connection with the League blinded her to realities (*Realpolitik*). She was at the mercy of catchwords. Her identification with the League made her oblivious to the dangers of Germany's situation and to her real difficulty in finding outlets and food for her population. Germany had been placed by fate in the centre of Europe: she had to be militarily strong and now that she had abandoned all idea of expansion in the West (he would not lift a finger to get back Alsace-Lorraine, half-French as those provinces were) she had to look eastwards. The Slavs were her natural enemies and that was why Germany had adopted the attitude she had towards the war in Spain. Germany could not afford to have Bolshevists in power at that end of Europe. From Spain their influence would spread to France and Germany would find herself in the intolerable position of being surrounded by countries taking their cue from Moscow. That, he said, was again a point England failed to understand.

5. Austria was another example. If there was a plebiscite there tomorrow, 80 per cent of the people would vote for Germany. It was not because they loved the Nazi régime but because every German when it was a matter of Germany, voted German. It was on that point that Hitler had proved himself so right and which accounted for his overwhelming success in Germany itself even in his early beginnings. It had not been a question of Hitler but of Germany. The Austrian Government had not the courage even to permit a plebiscite because they knew that the Austrian people would not vote for them. Yet, if the German Government did persuade the Austrian Government, as they were constantly urging the latter to do, to agree to a plebiscite, the British Government would rise up and say no.

6. I intervened at this stage with the observation that while I could not share his views as to the present wishes of the majority of the Austrian people, I should have thought it in any case a great mistake on the part of the German Government to be precipitate. Patience was the greatest virtue of statesmen and, right or wrong as his estimate might be, it was in all circumstances impolitic to try and force the pace. It seemed to me that Germany above all other countries required peace and a long period of tranquillity. Looking at Germany's situation quite objectively I was able to

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[3] In a marginal note Mr. Strang wrote: 'He must mean "Rhineland".'

appreciate certain great qualities of the Nazi régime. It had reduced unemployment from 6,000,000 to 600,000: it had abolished class distinctions and much of its social programme was highly progressive. Certain of its spiritual qualities, such as its teaching of the dignity of labour and the moral value of service, were also admirable. But time was required to lay solid foundations for Germany's new experiment. I could not believe that Hitler desired to risk all his work on the chance of war.

7. To this Goering replied that I could set my mind at ease: there would be no more surprises for several years. At the same time what was peaceful evolution? There were three and a half million Germans in Czechoslovakia. Would the latter ever give them up without a struggle and Germany could not eternally listen unmoved to their complaints? Great Britain might use her influence at Prague or in the League but did any result ever come out of such intervention? Nothing: it had been the same in the Rhineland where Germany had eventually to act on her own.

8. His Majesty's Government, he continued, might preach peaceful evolution and be opposed to possible interference: yet Germany also had the right to live and Austria and the *Sudetendeutsche* were not vital questions for her as they were for Germany. France might desire to oppose the development of Germany, but there was nothing in Germany's greatness which was contrary to British interests. Germany was willing to recognise British preponderance on the sea which was vital to her. If there were a real Anglo-German understanding, Germany would not even worry about colonies, even if England added to her present Empire. Hitler had clearly indicated in *Mein Kampf* how earnestly he desired England's friendship. He was bitterly disappointed and resentful at England's unwillingness to reciprocate. It was, Goering assured me, the bitterest experience of Hitler's life. Nor could he, Goering, understand it. German soldiers such as Field Marshal von Blomberg,[4] German airmen, German sailors, all told him how friendly disposed the British military forces were towards Germany. The British public, if the reports which reached him were correct, was equally so. It was only the British Government and the British politician who were so hostile. Two months ago he had himself felt that there was only one course open to Germany, namely to make herself so overwhelmingly strong that she would be certain of victory if she had all the world against her again. Now he was prepared once again to hope in the possibility of that Anglo-German understanding which he himself, but Hitler more than anyone else, believed to be in the truest interests of both countries.

9. The above report, though it has had to my regret to be compiled in haste to catch the bag to-morrow and on the eve of my own departure, represents fairly accurately the course of our conversation which was conducted throughout perfectly amicably, though with some feeling at times on General Goering's part. Most of my own remarks were on the lines indicated in your despatch under reply. As you will have seen, the discussion produced nothing very definite and precise to justify German

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[4] Reich War Minister and Commander in Chief of the *Wehrmacht*.

grievances or to throw fresh light on German aims. But I did not in fact anticipate that it would, since it was obvious that the points on which I sought enlightenment were such as to require reflection before replying. It was on that account that I left the written document which I enclose and a step forward will certainly have been achieved if I get the answer thereto which General Goering led me to expect and which was the object of the note.

10. I should add that the General began by making it quite clear that he was speaking personally inasmuch as all final decisions and views on policy rested with Hitler himself. Since he will certainly consult the latter as the result of my interview, the subsequent reply which I may receive should have all the greater value.

I have, etc.,
NEVILE HENDERSON

ENCLOSURE IN NO. 52

Sir N. Henderson to General Goering

BERLIN, *July 19, 1937*

Herr Minister President,

On the occasion of the first interview which I had the honour to have with Your Excellency, you laid stress on the impression which was beginning to be felt by the German people that England was the enemy in its path. I informed His Majesty's Secretary of State for Foreign Affairs of your remarks to this effect. Mr. Eden had hoped to discuss this point with Baron von Neurath on the occasion of his visit to London, but since this has had to be postponed he has requested me to see Your Excellency in the hope that a frank and dispassionate discussion will both lead to the dissipation of certain misunderstandings in this respect and will dispose the German Government to believe that, though the policy of His Majesty's Government may be guided by certain principles with which the German Government are not in sympathy it is definitely not inspired by deliberate or unreasoning hostility to Germany.

With this object in view I have come to ask whether Your Excellency will be so good as to furnish me firstly with a definition of Germany's policy in any particular matter and secondly with a precise statement as to the manner in which and the occasions on which in your view the action and policy of His Majesty's Government have prevented or are preventing the German Government from attaining their objective.

Your Excellency will in fact realise that His Majesty's Government feel entitled to know exactly what the charges against them are. Something more is required than mere generalisations which can only prejudice in an increasing degree Anglo-German relations and lead to still greater future misunderstandings and mutual resentment.

In making this request to Your Excellency I wish for my part to emphasise that His Majesty's Government have not to their knowledge adopted a policy hostile to what is in their opinion Germany's legitimate interests and that they are most anxious to find a remedy for our joint problems by friendly discussion with the German Government.[5]

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[5] A German translation of despatch No. 678 and of Sir N. Henderson's letter to General Goering have been found in the archives of the German Foreign Ministry. They were part of a collection of papers from General Goering's Staff Office (Serial No. 5482).

No. 53

Letter from Sir N. Henderson (Berlin) to Sir O. Sargent

[C 5316/270/18]

BERLIN, *July 20, 1937*

My dear Sargent,

In your letter of July 15th[1] you ask me to let you know in as precise terms as possible how I regard 'Germany's aspirations' from a twofold point of view, namely (a) which of them His Majesty's Government could consider as legitimate and natural, and (b) how far our British definition of Germany's legitimate aspirations would be regarded by Germany as adequate and satisfactory.

It is impossible to be very precise on such a complicated subject. But I can at least give a personal but fairly definite reply to the first part of this double conundrum. On my arrival in Berlin I drafted, partly for the clarification of my own mind and partly for possible use later, a memorandum setting forth my personal views as to British policy towards Germany largely from the standpoint as to how far we can and should legitimately go to meet German aspirations. I enclose it. As you will see it is dated May 10th, 1937, but I doubt if I would modify its general principles much if it were dated 1940. In any case the views expressed in it are not recent but those which I have held for many years, and I doubt if closer contact with the trees will alter my impression of the forest as a whole.

If Neurath had gone to London I had thought of sending it to the Secretary of State then. If I hesitated it was lest such a memorandum should be open to the objection that it was presumptuous to express views at all until I had been for at least a year in Berlin. But I send it now as it largely answers the first half of your query and in the hope that it may serve as a basis for discussion and further enquiry, if needs be. You may use it in whatever way you think useful. But I should like the S[ecretary] of S[tate] to see it.

But it is impossible for me to give you at present any considered reply as to the second half of your query, i.e. as to how far the German Government would regard our conception of legitimate German aspirations as adequate and satisfactory. Neurath's visit to London might have shed some light on this side of the question. However, I shall possibly get some enlightenment from the talk which I am to have with Goering[2] under the instructions in your despatch No. 905 of July 15th.[3]

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[1] No. 43.

Be that as it may, I regard as the first necessity that we ourselves should see clearly how far we should be prepared to go. For to tell the truth I do not believe that the Germans have any very precise idea as to what they themselves want. German unity, German destiny, German expansion, a German place in the sun, are vague terms, and neither they nor we can clearly see how far along the road or even along which road they will lead Hitler and Co. It is all too hypothetical, but generally speaking I would say that, while we shall have to be inspired by our conception of moral principles, I fear Germany will be guided by circumstances and opportunity.

I leave on Wednesday morning[4] for Marienbad and as I cannot see Goering before Tuesday, as he is away in Munich till Monday, I shall not be able to add to this before I go. Later, if you wish I shall try and be more precise on any specific points which, after reading my memorandum, you may like to raise. But the sum of the matter is this: our attitude towards German aspirations must be based in the end not on the Treaty of Versailles or that old catchword of the balance of power in Europe which simply means 'blocs', but, as I said in my speech to the *Deutsch-Englische Gesellschaft*,[5] on peace and peaceful evolution.

Yours ever,
NEVILE HENDERSON

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[2] See No. 52.

[3] No. 41.

[4] i.e. July 21.

[5] See Volume XVIII, No. 568.

ENCLOSURE IN No. 53

Memorandum by Sir N. Henderson on British policy towards Germany

May 10, 1937

1. In discussing British policy towards Germany, it is necessary first to define in their most elementary form the fundamental principles of British national policy generally. They are:

A. The defence of Great Britain and the British Empire, and
B. The maintenance of peace in Europe and throughout the world.

2. These two basic principles entail two further national policies of insurance, namely:

C. British military strength, and
D. The preservation of permanently friendly relations with France and the Low Countries.

3. This is obvious; since, on the one hand, not only does the military weakness of Britain inevitably lead to political anarchy in Europe but also an insufficiently armed (in comparison to other countries) Britain cannot hope or deserve to preserve her Empire. Or, as Mr. Eden has put it, 'Great Britain's rearmament is necessary to enable her to defend herself, to honour her international obligations and to play the responsible part which is incumbent on her in Europe'.[6]

4. On the other hand, vide Mr. Baldwin, 'Britain's frontier is henceforward on the Rhine'.[7] The defence of France and the Low Countries thus constitutes an integral part of the defence of Britain's own shores. At the same time it is equally obvious that, if Great Britain's influence in Europe and on the side of peace is to be effective and justifiable, friendship with France must *never be exclusive.* French security is British security but French policy is far from being always in British or international interests. The most obvious example of this is the French system of alliances ostensibly based, it is true, on the League of Nations but employing the latter not for the higher purposes for which it was created but as an instrument to serve French policy. In other words, while Great Britain cannot disinterest herself in Europe, she should never identify herself too closely with any single or group of Powers.

5. The above premise is indispensable in respect of a fifth but international and moral policy of Great Britain, namely:

E. Support of the ideals and vital principles of the League of Nations.

6. From a purely British point of view the Powers who might conceivably menace our national and imperial interests are the following: the United States of America, France, Germany, Italy, Russia and Japan. For all useful purposes of policy at the moment the first two of these can be left out of account. There remain Germany in Europe and overseas, Russia in Europe and Asia, Italy in the Mediterranean basin and Japan in the Far East. These four are not only dangerous to-day but likely to continue to be so indefinitely, particularly the last three in view of their geographical situation, which brings them into immediate contact with British possessions.

7. On the other hand, though Germany must be regarded as the most formidable menace of all at the present moment, there is no reason, provided she does not ruthlessly disregard the vital principles of the League of Nations[8] or revert to a policy of naval and overseas rivalry or of a renewed push to the West, or deliberately threaten us by air, why—restless and troublesome though she is bound to be—she should perpetually constitute a danger of war for us. Of all the factors which govern foreign

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[6] Apparently a reference to Mr. Eden's speech at Leamington on November 20, 1936: see Volume XVII, No. 400, note 1.

[7] See Volume VI, No. 547. Mr. Baldwin was then Prime Minister.

[8] Marginal comment by Sir R. Vansittart: 'What an odd sentence.' This and subsequent comments on the memorandum are by Sir R. Vansittart unless otherwise stated.

policy, especially in the long run, the geographical factor is assuredly the most important, lasting and decisive. And Germany herself impinges on no British possession:[9] Great Britain is excentric [*sic*] to Europe, whereas Germany is practically entirely central. She is the slave of her geographical destiny and far less fortunate in that respect than most other countries. This is a consideration which cannot be left out of account in the matter of armaments. Just as Great Britain must be strong by sea and in the air so must Germany in self-defence be so also in the air and by land. Commercially she will always and inevitably compete with Great Britain, but it was never economic rivalry which mortally offended the British and it never should do so. On the other hand British friendship with Germany could and would serve British national policy by restraining both Russian intrigues and ambitions, either in Asia or possibly once more at Constantinople, as well as Italian aspirations in the Mediterranean.[10] (So far as Japan is concerned, Britain's obvious ally in the Far East is the United States of America). There consequently ensues the theory of British policy enunciated by Mr. Joseph Chamberlain in 1899 when he declared the most natural alliance to be Great Britain and Germany with the United States as partner.[11] Nor, if it be realisable, could anyone dispute the desirability and possibility of pacifying Europe by means of a British understanding with Germany, naturally in harmony with France, French security and friendship being, as stated above, one of the five cardinal points of British policy.

8. Is an Anglo-German understanding possible? Even if in the end it prove not to be so, it would be criminal to leave undone anything which can possibly be done to achieve it. The whole moral of Trevelyan's life of Sir Edward Grey is that he tried to the bitter end to ensure peace with Germany by giving her outlets other than supremacy at sea for her Pan-German and expansionist energies (cf. the Bagdad Railway Agreement signed in January 1914 and the Portuguese Colony Convention initialled as late as July of that year).[12] Though his efforts only ended in failure, his reward in 1914 was a united Britain, the support of the British Empire and the goodwill of practically all neutrals. Unless British interests are directly affected, it will not be easy to achieve such unanimity in future.

9. The obstacles to an Anglo-German understanding are, it is true, extraordinarily formidable. Quite apart from Germany herself, the Nazi régime, her traditional mentality and character and her inevitable urge towards unity and expansion, it is not to the interest—for obvious reasons—either of Italy or of Russia to witness its consummation. And, though it is difficult not to feel convinced that it would be to her ultimate interest, it will be exceedingly hard to obtain the co-operation of France, who has her

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[9] Marginal comment by Sir O. Sargent: 'What about colonies?'

[10] Marginal comment: 'This is the German doctrine.'

[11] Marginal comment by Sir O. Sargent: 'This is what Mr. Dodd says N.H. said to him.' See No. 8.

[12] Marginal comment: 'Does Sir N.H. recommend that we shd. return to that discreditable episode?'

own ideas as to what is her own best national policy. Yet can we go forward without France? It would seem therefore that the first objective must be to convince France that she must and can rely on us to guarantee her security as part of an understanding with Germany. The first step towards that objective was in fact taken by Mr. Eden in his Leamington speech when he definitely and publicly declared that Great Britain would fight to defend France, Belgium and Holland.[13] Even so, France will be very reluctant on grounds of prestige and *amour propre*, quite apart from security, to renounce her quasi-protectorships over Poland and the Little Entente,[14] as well as the military obligations and guarantees of her alliance with Soviet Russia. Yet if she is not prepared to do so, it will be hopeless for Great Britain to attempt to reach an understanding with Germany based on French co-operation. The alternative, however disagreeable and only as a last resort, would then be a direct Anglo-German understanding based on French security and integrity but including some guarantee of neutrality in the event of a Russo-German conflict.[15]

10. And Germany herself? That Hitler himself and most Germans would prefer an alliance with Great Britain to any other is almost certainly true. Is, however, British friendship, tolerance or even negative acquiescence possible when the aims of German foreign policy are frankly stated? In other words is Germany prepared to pay a reasonable price and one which we can honourably accept for British friendship?

11. In his valedictory despatch No. 358 of April 13th,[16] Sir Eric Phipps sums up the aims of Germany as follows:

1. The absorption of Austria and other Germanic peoples (e.g. the German fringe of Czechoslovakia).
2. Expansion in the east.
3. Recovery of Colonies.

12. In themselves none of these aims need injure purely British national interests. Most people would agree that if it were possible to find them Germany might well be given some colonies. Provided Germany did not compete with us by sea and air, her possession of colonies would worry us little, if at all.[17]

13. Expansion in the East is an elastic term. If the national integrity and independence of her neighbours were safeguarded, His Majesty's Government would not be justified in actively objecting to a political and economic predominance which the German armies and German industry and population will in any case ensure of their own volition. In his speech to the Reichstag on May 21st, 1935,[18] Hitler declared that 'Germany will

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[13] See note 6 above.

[14] Marginal comment: 'This is not the position in 1937 as regards Poland, Yugoslavia or Roumania.'

[15] Marginal comment: 'This is again full acceptance of the German attitude.'

[16] Volume XVIII, No. 399.

[17] Marginal comment: 'A good many of us wd. not accept this confident assertion.'

[18] See Volume XIII, No. 222, note 1.

unconditionally respect the remaining articles (of the Versailles Treaties) regarding international relations, *including the territorial provisions*, and will only carry out by means of peaceable understandings such revisions as may be inevitable in the course of time.' Would it not, before it is too late, be possible to bind him down to this undertaking? However little faith one may have in German promises and however ominous the last sentence may sound, an agreement would increase our influence over Germany and is surely better than none. At least if it were broken, the moral disapproval of the world would have some weight, and even Germany herself in her own interests would, if she were wise, respect that principle of nationality, which is the ruling force in the world of the twentieth century and the basis of National-Socialism itself.

14. As regards Austria, it is conceivable that sooner or later she will wish of her own free will to be reunited to Germany.[19] Even to-day she would never take sides against Germany in a world struggle. She may be anti-Nazi, but she is assuredly German. Even to-day, if an impartial plebiscite were taken, a third of the inhabitants would be likely to vote for union in spite of anti-Catholicism and all the other defects of the Nazi régime. If the movement for union were to come from within Austria herself and not from pressure from without—as it well might eventually if, for instance, Schuschnigg were to disappear and Nazism become more tolerant—His Majesty's Government would find it morally impossible to contest the right of Austria as a nation to dispose of her own fate. In the end we may well be faced there with a *fait accompli* which we could not prevent and which we would be regarded as having opposed—in vain.[20] Danzig is likely to revert to Germany in much the same way, and ultimately Memel.

15. As regards the *Sudetendeutsche* and the other numerous German minorities in Europe, the best prospect for a peaceful solution lies firstly in a greater political wisdom than the Czechs themselves have hitherto displayed and in more energetic action than the League of Nations has yet shown in respect of the effective protection of minorities. Only so can we hope to ensure the maintenance of the promise which, as suggested in paragraph 13 above, might to-day, but possibly not to-morrow, be extracted by us from Hitler.

16. In any case, whatever may have been possible yesterday, it is most improbable that any attempt to achieve an understanding with Germany has to-day even a faint chance of success except on the following minimum basis:

(a) an undertaking that if and when—but only when—Austria herself honestly and spontaneously desires it, we shall not oppose the Anschluss;

(b) the recognition in principle of Germany's right to own colonies and an eventual arangement whereby some part of say West Africa is allotted to her;

(c) an assurance that His Majesty's Government has in principle no jealous objection to German economic and even political predominance[12] in Eastern Europe provided Hitler undertakes to abide by his public assurances of May

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[19] Marginal comment: 'It is not the case now.'

[20] Marginal comment: 'This is Lord Lothian.'

[21] Marginal comment: 'What does that mean—*exactly*?'

21st, 1935. In return for these concessions and economic assistance we could ask Hitler to implement the proposals which he made at the time of the remilitarisation of the Rhineland as contained in the German memorandum of March 7th, 1936,[22] including Germany's return to a reformed League of Nations. Perhaps we should try to make this last desideratum our real starting point.

17. Whether an advance on these lines commends itself or not to His Majesty's Government or is compatible with British international moral and legal conceptions, it would still be highly unwise to allow the present system of drift to continue. As Sir Eric Phipps has reported in his despatch abovementioned, the belief that Hitler's policy of an Anglo-German understanding is breaking down is growing rapidly in Germany. The conviction that Britain is barring the way to Germany in every direction, however legitimate, is deepening. More and more Germans are beginning to feel that, since conciliation has failed, war with Great Britain will again have to be faced if Germany is to realise her destiny. The longer the present situation lasts the more difficult it will be to change it. Once the conviction that England is the enemy becomes crystallised, we shall, in fact, find ourselves back at the fatalistic and tragic sequence which led up to the war of 1914. Once the rails are laid, the train to war will run on of its own momentum. Surely no efforts should be spared to prevent such a disastrous and futile outcome.

18. Belgium was the last straw, but the governing factor in British pre-war policy was the question of sea power, and the German menace to it the supreme cause which brought England into the Great War. So long as Germany loyally observes the spirit and the letter of her present undertaking to limit her fleet to a 35% strength of the British fleet and is prepared to make an Air Pact with Great Britain,[23] we can at least be confident that, whatever other ambitions she has, they are not directed against the British Empire. It was not against German hegemony in the East that Sir E. Crowe wrote in 1907 his famous memorandum, but against German sea power, overseas ambitions and the overwhelming of France in the West. If Germany is blocked from any Western adventure—and Mr. Eden's definite public declaration that Great Britain would regard as a casus belli in future any aggression not only against Belgium but against France and Holland has made the position crystal clear in this respect—have we the right to oppose German *peaceful* expansion and evolution in the East?[24] Such an attitude is opposed to none of the static national bases of British policy. It can only, if abused, clash with the fifth international principle, namely support of the League of Nations, based on respect for treaties and the guarantee of the independence and liberty of smaller States. It will surely so clash if Europe as constituted under the Treaty of Versailles is regarded as sacrosanct. Yet few would now dispute the fact that that Treaty, though an honest attempt to

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[22] Volume XVI, Enclosure in No. 42.

[23] Marginal comment: 'Is she?'

[24] Marginal comment: 'What does he mean by "peaceful expansion". If he means territorial expansion it can hardly be peaceful.'

settle Europe for all time, was conceived at a moment when the efforts and resentment of the war had produced a condition of abnormality in even the sanest of minds. Much of that Treaty has already been swept away but many seeds for future wars remain unless it is modified by peaceful negotiation, as Hitler has in fact himself suggested. Moreover, from a purely practical point of view, is there the faintest hope that the Versailles settlement, if not modified, will exist a day longer than Germany can afford to wait? When she is stronger and on the first favourable opportunity which offers itself, she will not only unilaterally tear up any part which still offends her but secure similar benefits to the smaller ex-enemy Powers who suffer under it, thus securing their goodwill and gratitude at our expense.

19. Surely our right course is to be prepared to submit, provided we secure peace in the West, without too great discomfort to the surge and swell of restless Pan-Germanism in Central and Eastern Europe.[25] It is true that the idea of leaving a comparatively free hand to Germany eastwards will alarm and dissatisfy a section of public opinion both informed and uninformed in England. Yet what other practical course is open to us if we are to avoid the insane fatalistic folly of setting our course for another war?[26] Even if we beat Germany again the result, after another period of chaos, would be the same as today. Unlike Great Britain and France, or even Italy since 1914, Germany as a political entity is still incomplete. Nothing we can do or say can make black white. The restlessness of Germany in the twentieth century is inevitable and will make itself intensely disagreeable. Particularly to Russia and Italy, as well as to the smaller States, but not necessarily to Great Britain, in spite of the out-of-date premiss[27] as regards British opposition to any predominant Power in Europe. Yet even if it were not in these days of the League of Nations, the United States of America and Japan, an out-of-date theory, it is still a risk which will have to be faced, since it would be rash to count on the Empire or even the British public joining in another preventive war for, say, the *Sudetendeutsche* or the Germans of Silesia. Politics, it has been said somewhere, cannot either be based on ideals alone or on an entire absence of ideals. As it has been recounted in Trevelyan's life of Grey, the latter enunciated the two following ways of failing in politics; (a) to be an idealist out of touch with practical considerations, always advocating the impossible and never getting anything done; or (b) to lack all ideals and to be a mere opportunist. According to Lord Grey the only good politician is an idealist who can estimate rightly the limits of what is possible in his own generation. Or as a Frenchman once said: 'La politique: c'est l'art du possible'.[28]

20. Is not the present limit-of-what-is-possible an agreement with Germany which, while going far in the direction of her aspirations (and some must legitimately be conceded to her), still binds her to respect vital principles? It bears repeating to remember that what we could have got yesterday, we

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[25] Marginal comment: 'Lord Lothian again, & in full.'

[26] Marginal comment: 'No. one cd. be sure that Sir N.H.'s way wd. avoid it.'

[27] Marginal comment: 'It is not out of date.'

[28] Marginal comment: 'Did he? I thought it was Bismarck.'

cannot secure today: and what we could secure today, we shall probably not be able to get tomorrow. The post war period is strewn with such lost opportunities and we cannot afford to go on losing them. We have at long last realised ourselves that the League of Nations, collective security and Treaty engagements constitute no reliable substitute for a Navy and Air Force capable both of defending Great Britain from invasion or attack and of making her due influence felt in the world. Would it not be equally wise to admit at once, without further delay, that Germany is now too powerful to be persuaded or compelled to enter into an Eastern Pact, that a certain German predominance eastward is inevitable, and that peace in the West must not be sacrificed to a theoretically laudable but practically mistaken idealism in the East—mistaken in the sense that the Treaty of Versailles was fallible and hence an unjust basis on which to build up a permanent settlement of Eastern Europe? To put it quite bluntly,[29] Eastern Europe emphatically is neither definitely settled for all time nor is it a vital British interest and the German is certainly more civilised than the Slav, and in the end, if properly handled, also less potentially dangerous to British interests—One might even go so far as to assert that it is not even just to endeavour to prevent Germany from completing her unity or from being prepared for war against the Slav[30] provided her preparations are such as to reassure the British Empire that they are not simultaneously designed against it.

21. If, however, an understanding with Germany on the terms outlined above is regarded as impossible or the undoubted risk of the consequences of a too powerful Germany as too great, then the only alternatives are obvious: either to protest vehemently but do nothing if Germany, unfettered by any agreement with us, swallows Austria, annexes the *Sudetendeutsche* or rectifies her Silesian frontier; or to revert openly to the Block system and to prepare for war on conditions similar but in many respects much less favourable, because less justifiable from a British point of view, than in 1914 i.e. with France and Russia as allies. Both alternatives can only be regarded as counsels of despair.[31]

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[29] Marginal comment: 'He *doesn't* put it bluntly. What *exactly* does he propose that Germany shd have.'

[30] Marginal comment: 'I hope Sir N.H. doesn't talk like this, or the Left will be after him again.'

[31] Sir N. Henderson addressed a further letter to Sir O. Sargent on July 20 (C 5377/270/18), enclosing a copy of a recent personal letter from him to Dr. Maxwell Garnett, Secretary of the League of Nations Union. In this he gave his private views as to the desirable future of the League, including the remark that it was 'essential that the Covenant be first separated from the Treaty of Versailles and the terms of the Covenant itself so amended as to get the U.S.A. and Germany into the League'. Sir R. Vansittárt wrote of the letter of July 20 that it was 'an act of folly and completely improper for Sir N. Henderson to have written it . . . In 35 years' experience I cannot recall such a series of incidents created by an Ambassador'. See No. 8, note 6.

No. 54

Sir E. Drummond (Rome) to Mr. Eden (Received July 22, 9.30 a.m.)

No. 407 Telegraphic [*R 5058/1/22*]

ROME, *July 21, 1937, 11.40 p.m.*

Minister of Foreign Affairs asked me this morning whether I had noticed announcement in the papers that Stefani correspondent was going back to London on August 1st; Count Ciano remarked that this was a happy sign of *détente*. To my . . .[1] whether the Italian Government had appreciated your speech in the House of Commons on July 19th[2] Count Ciano answered that proof that they had done so lay in the fact that Stefani correspondent was going back;[3] of course there was no formal connexion between the two but he drew my particular attention to the Italian Government's action.

His Excellency said that in the last two or three conversations I had had with him I had seemed rather pessimistic about the future Anglo-Italian relations; I replied that this had been so for reasons which I had explained to him at the time. I had of course in mind Signor Mussolini's press articles. Count Ciano answered that he hoped that I had realized that he himself had always been quietly optimistic; he felt that events were justifying his optimism and that a *détente* was coming about which would ultimately lead to restoration of real friendly relations.[4]

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[1] The text was here uncertain.

[2] See No. 48, note 4.

[3] A marginal comment by Mr. Eden at this point read: 'It is too tempting to say that we do not want him. A.E.'

[4] A marginal comment by Mr. Eden on this sentence read: 'I am profoundly mistrustful of this. A.E.' Cf. Volume XVIII, No. 484.

No. 55

Extract from Cabinet Conclusions No. 31 (37) of July 21, 1937

[*W 14347/7/41*]

2. The Secretary of State for Foreign Affairs said that he had not a good report to make on the proceedings of the Non-Intervention Committee. The Committee had accepted the British proposals as a basis for discussion and had remitted them for consideration in detail by the Chairman's Sub-Committee.[1] The latter body had met on the previous day and had reached a deadlock on the order in which the questions were to be discussed. The Chairman had wanted the subjects to be considered in the order in which the two Governments in Spain would be approached. In the morning his Committee had appeared to agree to this. In the afternoon they had disagreed. The Italians had wanted to take the subjects in the order in which

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[1] See No. 50, note 6.

they appeared in the White Paper. Eventually the Sub-Committee had adjourned in order that the Governments might be consulted.[2] The Italian Ambassador had asked to see him (the Secretary of State) the same afternoon. This point of procedure was a stupid one over which to break down.

Various suggestions were made for meeting the deadlock; e.g.

(i) That the Chairman of the Sub-Committee should be asked to take up the subjects in the order in which they appeared in the White Paper, on the understanding that nothing was agreed to until the whole list had been dealt with:

(ii) That the Sub-Committee should be asked to adopt a procedure for which there was precedent in the Disarmament Conference, namely, to discuss one subject in the morning and another in the afternoon;

(iii) That the more critical questions, namely the withdrawal of volunteers and the grant of belligerent rights, should be referred to Sub-Committees which would work and report simultaneously.

The Prime Minister pointed out that everything depended on whether the various countries wished to reach agreement or not.

The Cabinet agreed

> That the question should be left to the Foreign Secretary to do his best, taking into account the various suggestions that had been made.[3]

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[2] See Nos. 50 and 51.

[3] On July 24 a memorandum by Mr. Eden was circulated to the N.I. Committee, suggesting that a solution to the deadlock might be for the governments concerned to give their views in writing on the British proposals, and setting out the proposals in the form of a questionnaire. This paper, circulated as N.I.S. (36)606, was considered by the Chairman's Sub-Committee at its 60th meeting on July 26: see No. 63, note 1 below.

No. 56

Mr. Eden to Sir E. Drummond (Rome)

No. 741 [*R 4985/1/22*]

FOREIGN OFFICE, *July 21, 1937*

Sir,

During the course of a conversation with the Italian Ambassador this evening His Excellency said that the speech which I had made in the House of Commons on Monday[1] had had an excellent press in Italy. The situation seemed to be so much easier that he was encouraged to give to me a message for the Prime Minister which Signor Mussolini had authorised him to make use of some time ago. The Ambassador, who had been given discretion in the matter, had thought it wiser to hold up delivery of the message until the moment was more propitious. He hoped that that moment had now come. In any event he would tell me what Signor Mussolini had said. The Duce had emphasised his desire for permanent friendship with this country. He regarded the agreement of last January[2] as the frame, but the picture had yet to be filled in. He hoped that this would be done by further understandings defining closer relations between our two countries. Signor Mussolini had instructed him to repeat what had been many times said—that the Italian Government had no political ambitions whatever in Spain, still less of course any territorial ambitions. The Italian Government believed in General Franco and desired his victory in order that Spain might be saved from a Bolshevik menace. Signor Mussolini was at all times ready to discuss any proposals to further the interests of our two countries. Count Grandi added that he hoped to return to Italy at the end of the month and that it would be of assistance to him if I could arrange an interview with the Prime Minister before that date. He did not press the matter, but it would certainly assist him if he could report to Signor Mussolini a direct message from the Prime Minister.

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[1] See No. 48, note 4.

I am, etc.,
Anthony Eden

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[2] Volume XVII, No. 530.

No. 57

Mr. Eden to Sir E. Drummond (Rome)

No. 250 Telegraphic [*W 14132/7/41*]

FOREIGN OFFICE, *July 22, 1937, 10 p.m.*

I had a conversation with the Italian Ambassador yesterday evening, in the course of which we discussed the deadlock which had been reached in the Non-Intervention Committee.[1] I pointed out to Count Grandi that the difficulty that existed now was solely one of procedure. If Lord Plymouth were to make clear at the next meeting that whatever the subject first discussed none could be finally agreed upon until all were disposed of, would not this enable Count Grandi to agree to an early discussion of the withdrawal of volunteers? His Excellency would not admit this. He argued that the question of belligerent rights could be disposed of in a day. If that were so, I replied, could we not agree to spend so many days on the question of the withdrawal of volunteers—say three or four, and then take up the question of belligerent rights? But to this Count Grandi retorted that the question of volunteers might take months. Nothing I could say would induce him to modify in any way his general attitude. He maintained that the Italian Government had shown a considerable spirit of concession in agreeing to our proposals as a basis of discussion and that we were now attempting to modify the order in which they would be dealt with. Nonetheless His Excellency desired to try to find some way out and suggested that we should send the whole scheme which we had submitted to the Non-Intervention Committee to the two parties in Spain for their approval.

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[1] See No. 51.

2. Finally Count Grandi undertook to refer again to his Government, though he held out no hopes that he could obtain fresh instructions which would resolve the difficulty.

No. 58

Note communicated by Mr. Hore-Belisha

[R 5137/1/22]

Secret WAR OFFICE, *July 22, 1937*

Grandi came to see me to-day. His points were

(1) He brought a message from Mussolini, who, holding the Portfolio of War in Italy, regarded himself as my colleague and, wishing to cement the relations between our respective Armies, would be glad to meet me personally.

(2) Italy feared that Britain, strengthening incessantly her defences in the Mediterranean, was preparing to make war on Italy. The movement of troops to Libya was to counter our preparations. Mussolini—and most Italians—thought that we were suffering from 'paranoia' (a strange coincidence of phrase!).

(3) There was no other power in the Mediterranean but Italy against whom our fortifications could be directed. Correspondingly, there was no other power in the Mediterranean but Britain of whom Italy could entertain fear.

(4) The considerations in (3) could result in an intensification of preparations. Alternatively they could be used as a basis of agreement. Such agreement must have a military character and that was why he addressed himself to me. It should take the form of an understanding to disclose to one another the nature of our defences; in other words, it would be the sanction for confidential relations between our respective military staffs.

(5) If the proposal of such an agreement were rejected it could only result in our spending some millions of pounds unnecessarily in the Mediterranean.

(6) If such an agreement could be made, Italy would feel that she had a line of escape from the 'Germanic menace' and a relationship of the character suggested would from a military point of view make for a re-establishment of the Stresa front.

(7) He recalled the Protocol of the Triple Alliance, which freed Italy from compulsion to enter a war against us.

(8) He made the above proposal as a result of personal correspondence with Mussolini.

I have discussed the above with C.I.G.S., who states that it confirms the view of the General Staff that Italy is not so much directing her measures against us aggressively, but in genuine apprehension, particularly concerning her line of communications to Abyssinia.[1]

The General Staff feel that there would be every advantage in exploring such a proposal, particularly if it could lead to a removal of Italy's apprehension and thus liberate us from the anxieties caused to us by Italy's behaviour in the Near East, on the one hand, and by the concentration in Libya, on the other.[2]

L.H.-B.

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[1] In a minute of July 23 Sir R. Vansittart commented on this passage: 'I am amazed at the naiveté of the General Staff in swallowing this taradiddle. The Italians having taken all their own measures want to prevent us from taking *any*. Of course the Italians do suspect us of wishing one day to get our own back, but they know quite well we have taken no steps whatever in the Mediterranean.'

[2] In a minute of July 23 Mr. Nichols remarked: 'This seems to prove that the message which Count Grandi wishes to give to the Prime Minister [see No. 56] is a genuine one. The Italians are more frightened of us than we are of them and are anxious for a settlement. I think we should certainly explore these proposals . . .'

Sir R. Vansittart commented generally on this note on July 23: 'This is plain, unadulterated rubbish, & nobody knows it better than the Italians. They are perfectly aware—for they have a decent Intelligence service – that we have carried out nothing whatever in the way of "incessantly strengthening our defences in the Mediterranean", but on the contrary have reduced them by scrapping all our precautions taken during the period of tension over Abyssinia. The Italian answer to this is to send just as many men back to Libya as during that tension, although one would have to have one's head examined if one really thought we were either capable or desirous of attacking them across the Libyan desert with our tiny force in Egypt . . . By all means let the Secretary of State for War meet Mussolini, & let us keep the Italians in play with these transparent suggestions. But do not let us deceive ourselves . . .'

No. 59

Extract from the minutes of the fourth meeting of the Defence Plans (Policy) Sub-Committee of the C.I.D. held on July 23, 1937

*[R 5290/1/22]**

July 23, 1937

Relations with Italy

The sub-committee had under consideration the Minutes of a Conference convened by the Minister for Co-ordination of Defence on the 15th July, 1937, in accordance with the Conclusions of the Cabinet (Cabinet 30(37), Conclusion (vi)) (Paper No. D.P.(P)9).[1]

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[1] See No. 40, concluding paragraph. The 'Conference' took place on July 15 with Sir T. Inskip in the chair. A copy of the minutes is filed at R 5291/1/22. In the course of the discussion it was explained by the Chief of Naval Staff that 'our naval position vis-à-vis Italy in the Mediterranean was at present extremely weak, and that there were certain steps which could be taken forthwith to strengthen it without risk of provocation to Italy—e.g. the despatch to

The Prime Minister said that at this Conference the Chief of Naval Staff had suggested certain steps which would improve our strategic position in the Mediterranean relative to Italy. It had been decided that the proposals ought to be considered by the appropriate body with himself in the Chair, and it was for this reason that the question was now before the Sub-Committee. He read out a telegram[2] which had been despatched to our Ambassador in Rome, describing a conversation between the Foreign Secretary and the Italian Ambassador on the 21st July. Count Grandi had indicated the desire of Signor Mussolini for better relations with ourselves, and had said that it would be of great assistance if he could have an interview with the Prime Minister of this country and convey a direct message from him to Signor Mussolini when he returned to Italy at the end of the month. He asked Mr. Hore-Belisha to inform the Sub-Committee of the substance of a conversation which he had had recently with Count Grandi.[3]

Mr. Hore-Belisha said that Count Grandi had brought a message from Signor Mussolini as Minister of War in Italy to himself as Secretary of State for War in this country. Italy feared that Britain, by strengthening incessantly her defences in the Mediterranean, was preparing to make war on Italy, since there was no other Power against whom our fortifications could be directed. Signor Mussolini suggested that some basis of agreement could be reached between the two countries, and that it might take the form of an undertaking to disclose to one another the nature of the defences of each country. The General Staff held the opinion that Italy was not so much directing her present measures against us in a spirit of aggression, but in genuine apprehension, particularly concerning her line of communications to Abyssinia. They felt that there would be every advantage in exploring the proposal made.[4]

The Prime Minister thought it possible that Count Grandi had other things in mind, and that he (the Prime Minister) ought to grant him the interview for which he had asked. He felt that it would be very difficult to take a decision now on the naval measures which had been proposed, since these might excite further suspicions in the minds of the Italians. He asked whether the despatch of nets could be carried out unobtrusively.

Mr. Duff Cooper said that the nets could be despatched without any

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Malta of the nets which would be required at Alexandria and Haifa in the event of trouble with Italy; to prepare for an increase by one of the destroyer flotillas with the Mediterranean Fleet, and the issue of orders to the three cruisers which were due to sail for China, South America and South Africa in August to "work up" at Gibraltar en route. These measures would reduce the notice required by the Admiralty to meet a major emergency from one month to one week. It was appreciated that the steps mentioned by the Chief of Naval Staff did not come within the terms of the specific suggestion that had been remitted to the Conference for examination, but there was a good deal of support to the view that the Admiralty should be authorised to make the above dispositions, provided that they would not weaken the position in Northern Waters unduly.'

[2] No. 249 of July 22: it was the telegraphic version of despatch No. 741 to Rome (No. 56).

[3] See No. 58.

[4] Cf. *ibid.*, note 1.

great expense, inconvenience, or publicity, and the same would apply to the despatch of an ammunition ship.

Mr. Eden did not wish to adopt in any way an alarmist attitude, but questioned whether these overtures might not be a manoeuvre on the part of Italy to lull our suspicions and induce us not to take precautions to increase our own security. Both Sir Eric Drummond[5] and Sir Miles Lampson[6] were alarmed by the present position. He thought that Italy had a good Intelligence Service and must be well aware that we were not, in fact, strengthening our defences in the Mediterranean at all.

Sir Thomas Inskip said that Italy might well point to our recent alliance with Egypt and the modernisation of our defences at Gibraltar and Malta, which was proceeding, as evidence of our intention to strengthen our position in the Mediterranean. If, as was reported, Mussolini was really a paranoiac, he might construe these measures as directed aggressively against Italy.

Mr. Eden said that Count Grandi, in his conversation with Mr. Hore-Belisha, had stated that the movement of troops to Libya was in order to counter our preparations. They must be well aware, owing to their large population in Egypt, that we were, in fact, making no preparations in Egypt at all. Nothing whatsoever was being done at the present time in the Western Desert.

Lord Swinton recalled that Nahas Pasha, when questioned by the Italian Minister in Egypt, had admitted that some defensive preparations were being made in Egypt. Although these were not directed against Italy, they might be so construed by the Italians.

Mr. Duff Cooper said he had been impressed by the views of Sir Eric Drummond and Sir Miles Lampson. The Commander-in-Chief in the Mediterranean had also recently written a private letter to the First Sea Lord in which he drew attention to the likelihood of Italian aggression and to the necessity for strengthening our position to meet it.

The Prime Minister thought that, at any rate until he had seen Count Grandi, we should do nothing which could arouse Italian suspicions or be construed as provocative. He would raise no objections to the despatch of the nets and the ammunition ship, but, as the 3 cruisers which were being sent out to distant stations would not be leaving until the middle of August, there would be plenty of time to take a decision whether they were, or were not, to be held at Gibraltar, after he had seen Count Grandi.

Conclusions

The Sub-Committee agreed

(i) To take note of the Prime Minister's intention to see Count Grandi before the Recess.

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[5] See No. 24, note 2.

[6] See No. 49.

(ii) That, in the meanwhile, we should be careful to take no action which could be construed by Signor Mussolini as being provocative.

(iii) That the despatch to the Mediterranean of the nets which would be required at Alexandria in the event of an emergency, and of an ammunition ship, did not come within the above definition, and therefore, that the Admiralty should be authorised to take these steps as unobtrusively as possible.

(iv) To postpone a decision in regard to the other measures mentioned in Paper No. D.P.(P)9 (page 7, paragraph 2)—e.g., the issue of orders to the cruisers which are due to sail for China, South America and South Africa in August, to 'work up' at Gibraltar en route—pending the result of the Prime Minister's interview with Count Grandi.

No. 60

Letter from Sir G. Ogilvie-Forbes (Berlin) to Mr. Strang

[C 5493/4222/18]

BERLIN, *July 24, 1937*

My dear William,

The Ambassador, before he went on leave, asked me to prepare the ground for the favourable consideration of his desire to attend the Nuremberg 'Parteitag', the invitations for which may come at any time.[1]

From the point of view of Anglo-German relations and of the position of the Embassy here, it is most desirable that he should go—or, to put it in another way, it may be very awkward if he has to decline. In fact all heads of important missions who may decline will have to find an excuse for being absent from Germany during the week.

I quite appreciate the objections in London, but I suggest that they are outweighed by the consideration that the invitations issue from the Head of the State and that after all, Party show though it may be, the Party is the Government and will be for a long time to come.

The French Ambassador tells me that he has suggested to Paris that he should accept his invitation and go to Nuremberg for one or two days, the Belgian Minister also hopes that he will be allowed to accept, and I understand that some of the Scandinavian colleagues are also anxious to go.

When the invitations come, or if possible just before, I propose to send you a telegram referring to this letter, so that the answer can be forthcoming without undue delay. In the meanwhile would you think it over?[2]

Yours sincerely,
GEORGE OGILVIE-FORBES

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[1] Sir E. Phipps as Ambassador at Berlin had never attended the *Parteitag*: cf. Volume XVII, No. 127.

[2] A minute of July 27 by Mr. Strang said that the question of Sir N. Henderson's attendance at Nuremberg was under consideration by Mr. Eden. Mr. L. Collier, Head of the Northern

Department, pointed out on July 27 that Viscount Chilston, H.M. Ambassador at Moscow, had always refused to attend the May Day Parade in Red Square in Moscow, the Russian celebration corresponding to the Nuremberg *Parteitag*: '. . . if Sir N. Henderson were to attend that, Lord Chilston could hardly avoid attending the Parade without a public demonstration of British official partiality for Nazism as compared with Communism . . .'

On July 28, however, Sir E. Phipps reported in telegram No. 449 Saving that M. Delbos had 'suggested that French and British Ambassadors at Berlin should inform German Government that they will be prepared to go to the Nuremberg Party meeting for one day only this year, and on the distinct understanding that no disagreeable remarks regarding the Treaty of Versailles or Parliamentary Government should be made . . .' In a minute of July 29 Mr. Harvey stated that Mr. Eden, after seeing this telegram and speaking to Lord Cranborne, agreed that Sir N. Henderson should attend the party meeting for one day on condition '(a) that the French Ambassador does so also, (b) that the Ambassadors can arrange that there will be no disagreeable speeches on the day of their attendance and (c) the United States Government are informed, although he does not think it essential that the United States Ambassador should also attend'. Mr. Ogilvie-Forbes was notified of this decision in a letter of August 5 from Mr. Strang (C 5493/4222/18).

No. 61

Mr. Eden to H.M. Representatives[1]

[C 4108/205/62]

FOREIGN OFFICE, *July 26, 1937*

Progress of British Rearmament

Sir,

My attention has been drawn in recent weeks to the allegation that is frequently to be heard in many countries abroad that this country is incapable of carrying out the rearmament programme.[2] There seems to be a tendency, particularly in certain totalitarian States, to under-rate the will and power of democracies in general and of the United Kingdom in particular to fulfil the tasks which they have set themselves. It would be a great mistake to misapprehend either the spirit or the resources of this country. His Majesty's Government are fully determined to go through with their rearmament programme in any circumstances and to show no signs of slackening in its prosecution until the position of the United Kingdom throughout the world is all that they desire that it should be. That the people of the country are behind the Government in this resolve is evident from the spirit in which both Parliament and the Press have received the proposals for rearmament and the very heavy expenditure which they involve. The execution of the programme is gaining in momentum every month; and although the British public would in normal times have thought such large expenditure on armaments to be wasteful and unwise, there is no doubt that the United Kingdom will be able to stand the strain longer than other countries.

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[1] On Sir O. Sargent's direction this despatch was sent to H.M. Representatives at all posts except Katmandu and Monrovia.

[2] On a record of a conversation of April 2, 1937 between Sir R. Vansittart and the Hungarian Minister at London (C 2620/205/62) on the subject of propaganda in Germany to the effect that the United Kingdom was incapable of carrying out a rearmament programme, Mr. Eden minuted on April 5: 'It is for consideration whether we can do anything to help our Embassies abroad to counter this kind of nonsense' (cf. *Facing the Dictators*, *op. cit.*, p. 489). On his instructions a letter was sent to Sir T. Inskip on April 19 asking for facts and figures for H.M. Missions abroad 'such as would enable them to show that the rearmament programme is in fact being satisfactorily carried through'. Sir T. Inskip's reply was given in a letter of June 7 from the C.I.D. to Sir R. Vansittart, which supplied the information on which the Foreign Office draft of this despatch was based.

2. In order that His Majesty's representatives may be able to convince both official and public opinion in the countries in which they reside that this is indeed the attitude of His Majesty's Government and of the people of this country, I requested the Minister for Co-ordination of Defence to furnish me with facts and figures such as would show that the rearmament programme is in fact being satisfactorily carried through.

3. The Minister for Co-ordination of Defence has suggested in reply that this purpose would best be served by supplying His Majesty's Missions abroad with copies of the following memoranda presented to Parliament with the Navy, Army and Air estimates for 1937:

(a) Admiralty. Statement of the First Lord of the Admiralty explanatory of the Navy Estimates 1937 (Cmd. 5385).
(b) War Office. Memorandum of the Secretary of State for War relating to the Army Estimates 1937 (Cmd. 5381).
(c) Air Ministry. Memorandum by the Secretary of State for Air to accompany Air Estimates 1937 (Cmd. 5388).

Copies of these memoranda are enclosed herewith.[3]

4. Sir T. Inskip considers that the detailed information given in these memoranda should help largely to dispel any impression that the rearmament programme is not being fulfilled. In particular he has suggested that I should draw the attention of His Majesty's Representatives abroad to the following aspects of the Service programmes: . . .[4]

5. Sir T. Inskip has further informed me that since these memoranda were published certain developments have taken place which still further prove our ability to fulfil the rearmament programme.

As regards recruiting the figures for the Admiralty and Air Ministry continue to be satisfactory. Recruiting for the Regular Army is unsatisfactory and it is too early as yet to judge the effect of the steps recently taken to improve the situation. On the other hand, the number of recruits approved for the Territorial Army for April 1937 was 6,847, which is better than any previous figure on record.

Work on the factory programme referred to on page 12 of the War Office Memorandum and on the Air Ministry Shadow Factories is proceeding satisfactorily. Several of these factories are now in course of construction and some of them are in production. Additional factories have also been approved, and schemes have been concluded by the three Services to utilise the resources of large engineering firms in the country for the production of armament stores, in addition to extending considerably the works of the regular contractors.

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[3] Not printed: copies of all three White Papers are filed with this despatch.

[4] Not printed: the table which followed gave page references for aspects of Service programmes covered in the three White Papers.

6. I shall be glad if you will, at your discretion, make use of the material contained in this circular despatch and in its enclosures to meet any allegation that may come to your notice in the country in which you reside to the effect that the rearmament programme of His Majesty's Government cannot be carried through.

I am, etc.,
ANTHONY EDEN

No. 62

Sir E. Drummond (Rome) to Mr. Eden (Received July 27, 9.30 a.m.)

No. 416 Telegraphic [*R 5141/1/22*]

ROME, *July 27, 1937, 2 a.m.*

The First Lord of the Admiralty's answer in the House of Commons regarding food ships[1] and the passage in his speech dealing with Anglo-Italian relations[2] have had a wide echo here. Both are naturally approved but one or two cautious commentaries suggest that we should wait for the facts. The answer as to food ships is looked upon as a courageous exposure of a characteristically British hypocrisy.

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[1] The reference here is evidently to the debate on July 22, when Mr. Wedgwood Benn raised the question of the protection of British shipping on the north Spanish coast. In the course of his reply, Mr. Duff Cooper said: 'We have refused to recognise the right either of the Spanish Government or of the insurgent party to interfere with ships flying the British flag on the high seas, but we must draw the line somewhere, and we have drawn the line at territorial waters . . . We say that, when ships go inside territorial waters, they forfeit the right to protection.' He referred also to 'British ships which are chartered by the Basque Government and are paid large sums of money in order to go in and assist the Spanish Government in the war they are carrying on against the insurgents . . . these ships, every one of them, are performing invaluable services to the Spanish Government'. 326 *H.C. Deb. 5 s.*, cols. 2576 and 2577.

[2] This was a speech, reported in *The Times* of July 26, 1937, by Mr. Duff Cooper at a garden fête at Pencaitland, East Lothian, on July 24. It included the following passage. 'Although it was only a year ago that they were employing sanctions against Italy, the time had come to let bygones be bygones and to seek again to restore with Italy those happy relations which had so long existed between that country and ourselves. Since the earliest days of United Italy, Great Britain was her friend.'

No. 63

Sir G. Ogilvie-Forbes (Berlin) to Mr. Eden (Received July 28)

No. 498 Saving: Telegraphic [*W 14507/7/41*]

BERLIN, *July 27, 1937*

The *Deutsche diplomatisch-politische Korrespondenz* of July 27th commenting on Monday's sitting of the Non-Intervention Committee[1] observes that Germany's written observation upon the English plan will be conceived with the intention of furthering the work of the Non-Intervention Committee in such a way that with the concession of parity between the two parties in the civil war, the desired localisation of the Spanish conflict and the removal of all foreign influences shall be attained.

Before the Committee came to this conclusion, says the commentary, there were a number of sensations. First of all, Count Grandi's declaration aroused a certain happy surprise although his attitude was entirely consistent with that adopted by Italy and Germany for many months.[2] They proposed the exclusion of volunteers from the civil war on August 17th of last year and the hasty rejection of this idea from ideological prejudice was not their fault. Essentially the position is today that the withdrawal of volunteers is to take place upon conditions which guarantee parity of treatment to the two belligerents and will thus be acceptable to them.

The second sensation was M. Maisky's declaration. Though it came as a shock, it was really no surprise since it has always been part of the Soviet Spanish policy to attempt to gain advantages for the Red side by denying the equal status of the two opponents.[3]

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[1] The reference is to the 60th meeting of the Chairman's Sub-Committee, held at 4 p.m. on July 26. The Committee discussed the British supervision proposals of July 14 (No. 38), and the questionnaire concerning those proposals circulated by the United Kingdom delegation on July 24 (see No. 55, note 3). After much discussion (cf. notes 2 and 3 below) the Sub-Committee agreed that representatives should ask their governments for instructions to enable them to communicate to the Committee in writing their views on each point of the British proposals, and that it was desirable that these replies 'should be framed on the assumption that acceptance of any of the proposals is conditional on agreement being reached on all other points raised'. Members were asked to reply at the latest by noon on July 29. In a note of July 26 embodying these conclusions (N.I.S. (36)608), Mr. Hemming added that it was not now desired that any action should be taken on the British questionnaire of July 24.

[2] In his speech Count Grandi stressed that the Italian Government still felt that the British plan in its entirety was the best basis for discussion, but insisted that the items be discussed in the order set out (cf. Nos. 50 & 51). He complained that the British questionnaire had changed the order of the items, and submitted a revised edition on which the Italian Government would base its written reply. He declared that the Italian Government were in favour of the withdrawal of volunteers from Spain 'if and when the other Powers will accept the points relative to control and belligerent rights . . .'

[3] Referring to the question of belligerent rights, M. Maisky repeated his government's view that to grant these rights to General Franco would be contrary to international law, 'for it would mean that the legitimate Government of Spain and the rebellious General would be put on the same legal basis . . . To grant belligerent rights to General Franco now would completely upset the basis upon which non-intervention was built up, and would, therefore, be

It is to be hoped that those Powers which may be assumed to possess a certain influence on the Soviet Union will make it clear that that Power can in no way reckon on their support if it takes the irresponsible step of bringing non-intervention to the ground by rejecting the elementary principles of neutrality and parity.

tantamount to a one-sided change of the position as it existed in August last in favour of the rebels . . . In the light of the foregoing, my Government believes that the granting of belligerent rights is completely outside the competence of our Committee. Taking all these circumstances into consideration, I am reluctantly driven to the conclusion that the British plan has not much chance of being really carried out.'

No. 64

Record by Mr. Chamberlain of a conversation with Signor Grandi

[*R 5176/1/22*]

10, DOWNING STREET, S.W.1., *July 27, 1937*

Count Grandi saw me by appointment this morning and remained talking for an hour and a half. He began by explaining that he had received a letter from Signor Mussolini dated in the third week in June containing a message which he had asked him to deliver to me, but leaving him to choose the most appropriate moment for the communication.[1] He had not thought that it would be convenient to try and see me until now, but he was returning to Rome, he hoped, at the end of the week and would like to give me the message before he left.

Mussolini's letter was a long one— four sides of quarto paper in type. Count Grandi did not show it to me but purported to give me a translation which, however, was so much broken by comments of his own that I had some difficulty in distinguishing which was Grandi and which was Mussolini. Finally, however, I repeated to Grandi my understanding of what Mussolini desired to convey, asking him to correct me if I was wrong and, as he confirmed my interpretation, I can safely repeat it.

First of all, the Duce wished to convey to me that he had no ambitions, either politically or territorially, in Spain; that he regarded the victory of Franco as of the utmost importance to him since he would view a Red Government in Barcelona as a danger to Italy. I understood, however, that if Franco were to win Italy would not wish either to obtain territory or to interfere in any way with the internal affairs of Spain. He went on to say that he regretted very much the continuance of bad feeling between the two countries. He regarded the Agreement of last January[2] as a beginning, but only a beginning, of better relations and he was desirous of filling in the frame-work.

I rather fancy, but I am not quite sure, that Signor Mussolini had in the letter attempted to fill in the picture himself to some extent. At any rate, it was made clear to me that he would attach immense importance to the *de jure* recognition of Italy's position in Abyssinia. I said on this that *de jure* recognition would give rise to very strong hostile criticism in this country, especially among the devoted adherents of the League of Nations who would ask why it was necessary to pay this compliment to the country which had burst through all the League's most cherished ideals. The action could only be justified if we could describe it as part of a great scheme of reconciliation, which should remove suspicions and anxieties and lead to restoration of confidence. For this purpose a great deal more would be required than *de jure* recognition, and we should want to know what they were sending two Divisions of troops to Libya for and why they continued to abuse us in their press and on their wireless. At this point the conversation became extremely frank, though never otherwise than perfectly friendly on both sides. Count Grandi explained that the wireless was now being controlled through Signor Mussolini's personal intervention, that the excesses of the press had some counterpart in this country, though we did not express ourselves so picturesquely as Italians and that the two Divisions were sent to Libya because we had frightened the Italians out of their wits, first by spending millions on our defences in the Mediterranean and secondly by the visit of Sir Samuel Hoare.[3] I replied that we were not spending millions; we were doing what we thought was the very minimum we could do in view of Italian threats, whilst Sir Samuel Hoare's visit was only the normal practice of First Lords on holiday, but I agreed that one thing led to another and that each side was taking measures of defence which inevitably were interpreted by the other side as fresh threats.

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[1] Cf. No. 56.

[2] See Volume XVII, No. 530.

Count Grandi said that Mussolini was anxious to have conversations which would lead to a complete clarification of the situation and I said that we should be very ready to engage in such conversations.

I then asked whether Count Grandi thought that a personal note from me to the Duce would be acceptable and, on his assurance that it would be warmly appreciated, I wrote a letter, of which a copy is on the file.[4] This terminated the interview.

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[3] See Volume XVII, No. 226.

[4] See No. 65 below.

No. 65

Letter from Mr. Chamberlain to Signor Mussolini

[*R 5176/1/22*]

Personal *July 27, 1937*

Dear Signor Mussolini,

I have been having a long talk this morning with Count Grandi who brought me the message you were good enough to send me. No doubt he will report to you what I have said to him but I should like to send you a personal note, and Count Grandi has encouraged me to write.

Although I have spent some of my happiest holidays in Italy it is now some years since I visited your country and so to my great regret I have never had the opportunity of meeting Your Excellency. But I have often heard my brother, Sir Austen, talk of you, and always with the highest regard. He used to say that you were 'a good man to do business with'.

Since I became Prime Minister I have been distressed to find that the relations between Italy and Great Britain are still far from that old feeling of mutual confidence and affection which lasted for so many years. In spite of the bitterness which arose out of the Abyssinian affair I believe it possible for those old feelings to be restored, if we can only clear away some of the misunderstandings and unfounded suspicions which cloud our trust in one another.

I therefore welcome very heartily the message you have sent me and I wish to assure you that this Government is actuated only by the most friendly feelings towards Italy and will be ready at any time to enter upon conversations with a view to clarifying the whole situation and removing all causes of suspicion or misunderstanding.[1]

Believe me, etc.,
NEVILLE CHAMBERLAIN

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[1] Mr. Chamberlain wrote subsequently in his diary: 'I did not show my letter to the Foreign Secretary, for I had the feeling that he would object to it' (quoted in Keith Feiling, *The Life of Neville Chamberlain* (London, 1946), p. 330: see also Appendix I to this Volume). The desirability of such a letter, signed either by Mr. Eden or the Prime Minister, had however been recognized in the Foreign Office (see No. 45). Sir O. Sargent wrote in a minute of July 28: 'The Foreign Office had hoped that if the Prime Minister decided to write to Signor Mussolini, the actual delivery. . . would be entrusted to Sir E. Drummond, so as to give the latter a pretext for asking for an interview with Signor Mussolini which in other circumstances is so difficult for him to obtain.' He thought, however, that it would still be possible for Sir E. Drummond to ask for an interview 'to discuss with Signor Mussolini in further detail the conversations which the Prime Minister and Signor Mussolini have agreed upon in principle'. He then indicated possible topics for discussion. But Sir R. Vansittart minuted on July 29: 'Surely we must leave to Signor Mussolini the nature of his response to the P.M.'s letter. It is really for them to take up the running now, if they mean business . . . Furthermore, we shd. *not* be in too much of a hurry. It is in our interest to gain time.' A note of July 30 said that Mr. Eden agreed with Sir R. Vansittart.

No. 66

Mr. Eden to Viscount Chilston (Moscow)

No. 356 [*W 14477/7/41*]

FOREIGN OFFICE, *July 27, 1937*

My Lord,

I had a conversation with the Soviet Ambassador[1] this afternoon during which he stated his Government's conviction that Italy and Germany would never agree to the withdrawal of volunteers. In their view the naval control scheme had not stopped even the flow of volunteers to Spain and their information was that 30,000 Italian volunteers had gone to Spain since the end of February. If there were 70,000 there before that meant a total of 100,000; allowing 20,000 to be casualties, the Soviet Government believed that there were still 80,000 Italians in Spain.

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[1] M. Maisky.

2. I replied that these figures were greatly in excess of our own estimate and that I did not believe that any number of Italians approaching 30,000 had gone to Spain since February. There had been driblets, no doubt, and airmen, but the total, according to our information, was very much smaller. I added, however, that if the Ambassador was so convinced that the Italians would never agree to the withdrawal of volunteers, then it was surely all the more important from this point of view not to maintain his position of refusing in any circumstances to grant belligerent rights for this would result in a break on the question of belligerent rights instead of a break on the question of the withdrawal of volunteers, if the Ambassador's analysis was correct.[2]

3. The Ambassador admitted the force of what I had said to him and undertook to report it to Moscow. At the same time he feared that the Soviet Government had probably taken their decision.

I am, etc.,
ANTHONY EDEN

[2] Cf. No. 63, note 3.

No. 67

Sir E. Phipps (Paris) to Mr. Eden (Received July 29)

No. 451 Saving: Telegraphic [*R 5177/1/22*]

PARIS, *July 28, 1937*

Monsieur Delbos, of whom I took leave this evening before proceeding to England, begged me to tell you that the Italians were doing their utmost to make capital out of the Prime Minister's interview with Count Grandi.[1] The Italian press was being more than usually disagreeable to France, and the Italian Government were doing their best to 'saboter' the Paris Exhibition[2] by putting difficulties in the way of Italians desiring to visit it. Monsieur Delbos has been obliged to threaten the Italian Ambassador here with reprisals in the shape of a one thousand franc visa for French citizens desirous of proceeding to Italy if this continues, or some such measure.

Monsieur Delbos declares that the Italian Government and press are already trying to make out that the interview is a proof that Great Britain has deserted France.[3]

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[1] See No. 64.

[2] See Volume XVIII, No. 554, note 2.

[3] In his telegram No. 153 Saving of August 2 Sir E. Drummond said that a 'careful re-reading of all the relevant press-cuttings has failed to disclose any indications that the

I replied that such attempts were futile and childish, but Monsieur Delbos refused to be comforted, and remarked that they were also dangerous.[4]

Italians were attempting to make capital, in any unfair sense, out of the interview between the Prime Minister and Grandi'. The Italian press had quoted French statements such as: 'We are on the eve of a gentlemen's agreement more criminal even than that of December last.' A note on telegram No. 451 said that the 'Prime Minister spoke to Count Grandi on this subject yesterday. P. Nichols 3/viii.'

[4] After reading Sir E. Drummond's telegram No. 153 Saving Mr. Nichols concluded that in fact 'the villains of the piece, in this instance, are the French & not the Italians'.

No. 68

Memorandum[1] *by the Chiefs of Staff Sub-Committee of the C.I.D. on the situation in the Mediterranean and Middle East*

[*R 5182/1/22*]

Most Secret 2, WHITEHALL GARDENS, S.W.1, *July 28, 1937*

At our 214th Meeting, held on the 28th July, 1937, we had under consideration a draft interim report prepared by the Joint Planning Sub-Committee on the situation in the Mediterranean and Middle East in the event of a unilateral war with Italy in the Autumn of 1937.[2]

2. We do not think it necessary at this stage to place before the Committee of Imperial Defence the detailed considerations set out in the Joint Planning Sub-Committee's comprehensive review of the situation. In view, however, of the forthcoming Parliamentary recess we feel it our duty to invite the attention of the Committee of Imperial Defence to certain important military problems which would arise in the event of a sudden emergency.

3. The main and immediate problem which would confront us, in the above circumstances, would be the defence of Egypt against Italian attack from Libya, which would necessitate the despatch of military and air reinforcements to Egypt with the utmost despatch. There are at present no fighter aircraft or ground anti-aircraft defences in Egypt and the military garrison is, by the provisions of the Anglo-Egyptian Treaty, restricted to 10,000 British troops.

4. As an immediate measure to remedy in some measure the deficiency regarding fighter aircraft we recommend that, in the event of an emergency arising, three fighter squadrons should be embarked in an aircraft carrier and despatched to Egypt under suitable naval escort, arriving at Alexandria in approximately 11 days after the outbreak of war. The problem of sending military and further air reinforcements is, however, a far more serious and complicated one owing to the risks to which the large convoys would be

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[1] Circulated as C.I.D. paper 1346B by Sir T. Inskip for the urgent consideration of the C.I.D. at its meeting on July 29: see No. 74 below.

[2] Cf. Volume XVIII, No. 615, and No. 15 above.

exposed, during passage through central Mediterranean, in the face of air attack by the Italian Metropolitan Air Force and Italian submarines.

5. In view of the above risks we cannot recommend, at the present stage, that these convoys should proceed via the Mediterranean and it is, therefore, our opinion that they should be routed via the Cape, provided that the considerable consequential delay in their arrival in Egypt can be accepted.

6. In the view of the General Staff the existing military forces in Egypt, so long as a simultaneous emergency requiring forces additional to those already in Palestine does not arise, would be sufficient to hold our position in the Western Desert for the period of 40 and 60 days which would elapse before the Army and Air reinforcements respectively, routed via the Cape, could reach Egypt. This important calculation, however, depends on the availability of immediate reinforcements from India, amounting to approximately a Brigade, arriving in Egypt within 24 days of the outbreak of war.

7. Another factor which has a bearing of great importance on the situation is the necessity for the despatch of military and air force stores and equipment to Egypt, necessitating a convoy of no less than 24 ships. This convoy would necessarily be a slow one, with a speed of advance of only 8 knots, and, pending war experience of air attack against warships or the certainty of an early diminution of the scale of Italian air attack in the Central Mediterranean, the General and Air Staffs do not consider the risks involved in sending this convoy through the Mediterranean, under the escort of the British Fleet, to be justified.

8. A solution to this problem would, in some measure, be provided if a decision were to be taken that certain of the more important stores were despatched to Egypt now, if we are to assume that the Italian menace is at the present a serious one. This measure would be in general accord with the steps which the Admiralty have recently been authorised to take to send net defences and an ammunition ship to the Eastern Mediterranean.[3]

9. While presenting to the Committee of Imperial Defence the above general problems, and pointing out the deficiencies in our defence position in Egypt and the difficulties attending the despatch of reinforcements to the Eastern Mediterranean, it would be foolish to ignore the serious military problem which would face Italy in despatching and maintaining a fully-equipped corps to Libya necessary for rapid and effective operations against Egypt. Although our information points to the possibility of this corps being despatched to Libya in the future, it has certainly not yet arrived, and, so far as is known, no important preliminary steps have been taken to receive it.

10. In summary, therefore, we invite the attention of the Committee of Imperial Defence to the main military problems which we have outlined above arising from our consideration of the Joint Planning Sub-Committee's appreciation of the situation in the Mediterranean, and to the question as to whether the War Office should be authorised now to despatch certain of the more urgent military stores required to improve our defence position in Egypt

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[3] Cf. No. 59.

during the period before reinforcements and stores could arrive after the outbreak of war.

CHATFIELD
E. L. ELLINGTON
C. J. DEVERELL

No. 69

Extract from Cabinet Conclusions No. 32(37) of July 28, 1937

[W 14692/7/41]

4. The Secretary of State for Foreign Affairs informed the Cabinet that the States represented on the Non-Intervention Committee had been asked to send in written comments on the Chairman's scheme,[1] and it was hoped that these would be received at the Foreign Office the same afternoon. The Non-Intervention Committee was to meet on Friday.[2] The question would also be raised in Parliament on Friday, July 30th, and he wished to consult his colleagues as to the line he should take. He proposed to repeat what he had already said, that the plan must stand or fall as a whole and that we could accept no major changes. For example, we could not grant belligerent rights without the withdrawal of volunteers. That was a point by which we must stand. It was possible however, that the plan might not be adopted. In that event some other nation might make fresh proposals. It was conceivable, for example, that it might be proposed to drop both belligerent rights and the withdrawal of volunteers and to adhere to the Naval patrol, reinforced by trawlers, as the German representative had once proposed, and by observers in the Spanish ports. Another possibility was that the whole scheme of non-intervention might collapse, though no-one desired that. In fact, the French Ambassador, who had recently visited Paris, had informed him that the French Government wished to avoid the abandonment of non-intervention. In the event, however, of a breakdown, it was impossible to forecast what the circumstances would be or what our attitude should be, and he did not want to be committed.

The Prime Minister said that the Opposition would demand pledges that there should be no grant of belligerent rights to General Franco unless volunteers were first or simultaneously withdrawn.

The Foreign Secretary agreed that that pledge could be given so far as the Chairman's plan was concerned, but we ought not to give the same pledge if the whole scheme should break down.

The Secretary of State for Air recalled that in the earlier discussions of the Cabinet the view had been that if General Franco should occupy more than half the country we might in any event accord belligerent rights. At that time the capture of Madrid was suggested as the test. He suggested that if General Franco captured Madrid and perhaps extended his authority much more widely as the result, we should not exclude the possibility of according belligerent rights.

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[1] See No. 63, note 1.

[2] i.e. the Chairman's Sub-Committee, which held its 61st meeting on July 30.

The Foreign Secretary agreed that that would be an entirely new situation.

The Prime Minister agreed that we should keep our hands as free as possible.

The President of the Board of Trade suggested that if the Government were to announce in the House of Commons that their pledge on the subject of belligerent rights must not be regarded as applying necessarily to a new situation, that might well be taken by the Dictator Powers as a hint of a change of attitude on our part. In that event they might work for a breakdown of non-intervention in order to secure belligerent rights for General Franco.

The Chancellor of the Exchequer thought this point a good one. He agreed that unless it was made clear that the according of belligerent rights was linked up with the withdrawal of volunteers the Dictator Powers might well take it as a hint.

The Prime Minister pointed out that there were all sorts of other considerations with which these points could be linked.

The Lord President of the Council suggested that the Foreign Secretary might take the line on this point that it was impossible to predict what new situation might arise or what would have to be done to meet it. He might suggest, also that our policy was based on the maintenance of non-intervention and the avoidance of entanglements.

The Prime Minister suggested that the line to be taken by the Foreign Secretary should be to make clear that we should not agree to any modification in the plan which would destroy its balance, but that beyond that the Government could not tie its hands in circumstances that could not be foreseen. He thought it possible that in the Debate on Friday the Government might be asked to give a pledge that before according belligerent rights they would summon both Houses of Parliament to meet. The answer to that would be that this was a matter for the Government and that the House of Commons must trust them to summon Parliament if circumstances required it.[3]

This was agreed to.

[3] During the Adjournment Debate in the House of Commons on July 30 Mr. Eden was pressed by Mr. Lloyd George and Mr. Attlee on the question of non-intervention. Mr. Attlee, Leader of the Opposition, drew attention to the possible serious consequences of granting belligerent rights, and asked H.M. Government for a specific undertaking that Parliament would be summoned before any policy was embarked upon 'which would render imminent the granting of belligerent rights to General Franco', which he said would amount to a 'recognition of aggression'. In reply, Mr. Eden said that the British supervision scheme would stand or fall in its entirety, and that the Government would not agree 'to any major modifications which would upset its balance'. Thus if the scheme were accepted, so would be the withdrawal of volunteers: if it failed, he felt that non-intervention would break down altogether, and he could not give a pledge 'upon an entirely hypothetical situation'. He was further pressed for an answer on this point by Mr. Attlee and Mr. Lloyd George, but refused to say any more. See 326 *H.C. Deb.* 5 s., cols. 3532–38 and 3548–63.

No. 70

Letter from Mr. Roosevelt to Mr. Chamberlain

[*A 6006/228/45*]

THE WHITE HOUSE, WASHINGTON, *July 28, 1937*

My dear Mr. Chamberlain,

I have read with much interest your letter of July 8[1] to Mr. Norman Davis in reply to a letter which he wrote to you at my suggestion.[2] I am pleased to learn that you think it would be desirable to make a visit here—as suggested—as soon as conditions appear to warrant your doing so; and also that we are in accord as to the importance of Anglo-American cooperation in the promotion of economic stability and peace in the world. I agree with you that however desirable a meeting between us may be, it is necessary that it should be properly prepared and timed if it is to have fruitful results.

My suggestion to Mr. Davis, which he conveyed in his letter to you, was that if the ground could be sufficiently prepared in advance, it would be most agreeable to me if your visit could be made in the early fall. I recognize however that events have not so shaped themselves as to make such an early visit practicable.

I appreciate the desirability of making such progress as is possible on other lines which would have bearing upon the timing of your visit here. I would be glad, however, to receive any suggestions you may have as to any additional preparatory steps that might be taken as between ourselves in the near future to expedite progress towards the goal desired.[3]

I am, my dear Prime Minister, with assurances of high esteem,

Yours sincerely,
FRANKLIN D. ROOSEVELT

I am asking the Ambassador to deliver this to you in person.

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[1] No. 25.

[2] See *ibid.*, note 2.

[3] A minute of August 20 by Mr. A. Holman, a First Secretary in the American Department, read: '... it is clear that [the President] realises that a visit by the Prime Minister in the autumn is no longer practicable.'

No. 71

Letter from Mr. Aveling (Warsaw) to Mr. Strang (Received August 4)

[*C 5610/1/18*]

WARSAW, *July 28, 1937*

My dear William,

With reference to the Ambassador's telegram No. 34 of June 29th[1] and to your despatch No. 232[2] of the same date and your semi-official letter of July 2nd[3], regarding the Polish attitude to the negotiations for a new Western Pact, I took the opportunity of a talk with the French Ambassador to-day to enquire whether there had been any further developments as a result of the French reply to the recent Polish *démarche* in Paris. Noel said that he had spoken very frankly to Beck on the subject, and had found him in a somewhat chastened condition. He had the impression that Beck realised that his intervention at Paris, and particularly the menacing attitude he had then taken, had been a great tactical error and that for the time being at all events he intended to leave matters where they were. In subsequent talks he had had with Beck no reference whatever had been made to the subject, and Noel for his part had no intention of going out of his way to raise it. Noel subsequently asked whether the subject had been discussed at all in London. I told him that Raczynski had talked the matter over with the Secretary of State and others and gave him in confidence the gist of the reply which Raczynski had received. Noel said that he was delighted to hear that such eminently good advice should have been given to the Ambassador and expressed the view that it had probably done much to bring Beck to his senses.

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[1] In this telegram Sir H. Kennard, H.M. Ambassador at Warsaw, gave an account of a conversation with M. Beck about the recent Polish *démarche* in Paris: cf. Volume XVIII, No. 621.

Both from the internal and external points of view things are unusually quiet in this country. Danzig, which usually provides the worst problems of the summer months, is quiescent, and I gather from the Ministry and from the German Embassy that there is little likelihood of the constitutional question being raised in the immediate future.

Yours ever,
FRANK AVELING

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[2] Volume XVIII, No. 667.

[3] This letter enclosed a copy of the record of a conversation between Count Raczynski, Mr. Strang, and Mr. Leeper on June 25: see Volume XVIII, No. 667, note 2.

No. 72

Sir G. Ogilvie-Forbes (Berlin) to Mr. Eden (Received July 29, 7.45 p.m.)

No. 190 Telegraphic: by telephone [*C 5518/1/18*]

Immediate BERLIN, *July 29, 1937*

Mr. Strang's letter of July 17th, last paragraph.[1]

Daily Telegraph correspondent has informed a member of staff that he hears from an official of the Ministry of Foreign Affairs that German Government is engaged in active consideration of His Majesty's Government's memorandum on Western Pact.[2] Reuters correspondent is, I understand, also aware of this.

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[1] No. 46.

[2] *See ibid.*, Enclosure. In a minute of July 30 Mr. Mallet remarked that this 'throws a more hopeful light on the attitude of the G[erman] Gov[ernmen]t'.

It is therefore likely that London press may make some publication. *Daily Telegraph* correspondent was informed that no such memorandum had been communicated by His Majesty's Embassy to the German Government.[3]

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[3] In a letter of August 5 to Sir G. Ogilvie-Forbes Mr. Strang said that following the publication in the *Frankfürter Zeitung* and other journals of a fairly accurate description of the memorandum it had been decided to announce that the memorandum had been delivered in London and that the possibility of a technical examination of the problems raised at some later stage was being considered.

No. 73

Mr. Ingram[1] (Rome) to Mr. Eden (Received July 30, 9.30 a.m.)

No. 425 Telegraphic [*R 5223/1/22*]

ROME, *July 29, 1937, 8.45 p.m.*

Since yesterday the press has been full of messages concerning Grandi's visit to the Prime Minister.[2] The comments of London, Paris and Berlin newspapers are given at length and headlines indicate importance attached here to the meeting. As usual of late the *Stampa* is first and so far the only newspaper to comment editorially. It publishes a note entitled 'a new hand', recalls its hope that the Prime Minister's advent would repair errors due to inertia of his predecessor and says that today a new hand on the tiller can be felt. The Prime Minister had understood necessity of facing realities. His task would not be easy in view of friction that remained as a legacy of the past but solidity of his position was such that success could not be in doubt. Italy who had welcomed agreement of January 2nd[3] was convinced that this instrument, the spirit and letter, was capable of wide development. Time had been lost but it could be regained.

The Spanish situation was the touch stone. British uncertainties had ended by favouring the Reds. For Italy the only solution was the victory of Franco and support of nationalists would hasten the inevitable end and put a stop to bloodshed. London was ready for such action but it was time to remove obstacles by granting Franco full equal belligerent rights.

The press publishes a telegram from Berlin which says that in London there is talk of your paying a visit to Rome.

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[1] Counsellor to H.M. Embassy at Rome. [2] See No. 64. [3] Volume XVII, No. 530.

No. 74

Extract from the minutes of the 298th meeting of the Committee of Imperial Defence held on July 29, 1937

[*R 5533/1/22*]

Secret 2, WHITEHALL GARDENS, S.W.1, *July 29, 1937*

(1) SITUATION IN THE MEDITERRANEAN AND MIDDLE EAST (C.I.D. Paper 1346B)[1]

(Previous reference: C.I.D. Minutes of the 296th Meeting, Minute 1)[2]

The Committee had under consideration a Memorandum by the Chiefs of Staff Sub-Committee on the situation in the Mediterranean and Middle East in the event of a unilateral war with Italy in 1937 (C.I.D. Paper No. 1346B).

LORD CHATFIELD, introducing the Memorandum at the request of the Chairman,[3] said that it had been prepared at short notice by the Chiefs of Staff Sub-Committee as a result of their consideration on the previous day of an interim appreciation, submitted by the Joint Planning Sub-Committee, of the situation in the Mediterranean and Middle East in the event of a unilateral war with Italy in 1937. The Chiefs of Staff had considered it desirable that the Committee of Imperial Defence should be familiar with the main problems involved in a war with Italy, in the event of an emergency arising during the recess, and of the action which it was proposed to take. The Chiefs of Staff were clear in their own minds as to what should be done in the event of an emergency, but there were certain factors dealt with in the Report which revealed the nakedness of our defences on land in Egypt, and it might be decided that certain immediate steps should be taken to remedy the position. In this connection it would be noted that in paragraph 8 of the Memorandum, the Chiefs of Staff suggested that a decision should be taken as to whether certain of the more important military stores required for the defence of Egypt should be despatched now, before an emergency had arisen. Such a measure would be in general accord with the steps which the Admiralty had recently been authorised to take to send net defences and an ammunition ship to the Eastern Mediterranean. The despatch of military stores to Egypt would not be a war measure, but merely a routine step in our normal defence preparations. In the event of war with Italy, it would be necessary to despatch large quantities of stores to Egypt, requiring a convoy of 24 merchant vessels. If this convoy was routed via the Cape, it could not reach Egypt until about 70 days after the outbreak of war. If, however, it were decided that certain of these stores should be unobtrusively despatched to Egypt now, the long delay in the passage of the convoy via the Cape would be more acceptable.

(At this point SIR JOHN SIMON entered the Meeting.)

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[1] No. 68.

[2] See No. 15.

[3] Sir T. Inskip.

Sir Cyril Deverell said that the position regarding army stores in Egypt was that the War Office had no authority to maintain reserves. During the Italo-Abyssinian crisis, every possible effort was made to provide Egypt with the stores that were needed, and the War Office had used their discretion in withdrawing them. The position at the present time was, therefore, more favourable than it might otherwise have been. The Chiefs of Staff were now asking that authority should be given for maintaining in Egypt a reserve of stores and supplies for 60 days.

(At this point **Mr. Eden** entered the Meeting.)

Lord Halifax enquired as to the degree of publicity that would be entailed by the despatch of these stores.

Sir Cyril Deverell replied that there would be no publicity involved.

Sir Edward Ellington said that as regards air force stores, the Air Ministry had the necessary authority to provide such stores as was possible, within the limits of their resources.

The Chairman suggested that the Committee should authorise the War Office to send the necessary stores to Egypt now, but that no authority for the despatch of additional air force stores would be necessary.

Lord Chatfield recalled that at the last Meeting of the Defence Plans (Policy) Sub-Committee[4] it had been agreed to defer a decision as to whether certain cruisers shortly due to sail for foreign stations should 'work up' at Gibraltar.

Sir Maurice Hankey said that since the 4th Meeting of the Defence Plans (Policy) Sub-Committee the Prime Minister had interviewed Count Grandi.[5] It would not be possible to arrange a further meeting of the Sub-Committee before the recess, and the Prime Minister had accordingly instructed him to request the Committee of Imperial Defence to deal with the question as to whether the cruisers should go to Gibraltar.

The Chairman remarked that as a result of the Prime Minister's interview with Count Grandi, he understood that a communication would be made, through the Italian Ambassador, to Signor Mussolini.[6] In these circumstances, it would be a great mistake to do anything provocative or anything of a nature which might be fastened on to by the Italians and cause them to take some retaliatory measure. The Prime Minister had intimated that the despatch of the cruisers to Gibraltar must be governed by the principle that the movement could not be construed as a provocative one. It seemed appropriate, therefore, that the movement of stores to Egypt should be governed by the same principle.

Mr. Eden said that he would regret a decision to the effect that the cruisers should not be sent. The results of recent conversations with the Italian Ambassador were not yet apparent, and they could not be said to have materially altered the present situation vis-à-vis Italy. Similarly, assurances had been given by Italy immediately before the Italo-Abyssinian crisis.

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[4] See No. 59.

[5] See No. 64.

[6] See No. 65.

Would it not be possible for the cruisers to be stationed temporarily at Gibraltar?

The Chairman suggested that the cruisers might carry out their working-up practices at Gibraltar temporarily. We might be in a better position to judge the situation in a few weeks' time and to decide on any further action to be taken.

Lord Chatfield pointed out to the Committee that it was customary for single ships to carry out their working-up practices at Gibraltar. If, however, it were decided that three ships were to carry out such practices, this might cause comment. It would, of course, be possible to provide a reasonable explanation, but no assurance could be given that the presence of three ships at Gibraltar for some length of time would pass unnoticed.

Lord Swinton suggested that it would be less noticeable if the ships were retained in the United Kingdom than if they were kept standing by at Gibraltar. The passage to Gibraltar could be made in two or three days.

Lord Chatfield said that the retention of the ships in the United Kingdom would probably cause more comment than if they were stationed at Gibraltar. Their foreign service crews would be on board, and they would have said farewell to their families.

Lord Swinton remarked that the anxious period would not be during August, but in late September or October, when it was understood that the additional Italian troops were to be sent to Libya. It would, therefore, be more noticeable if the cruisers were sent to the Mediterranean as soon as the troops moved to Libya in October, than if they were stationed at Gibraltar in August.

Mr. Eden remarked that it was quite possible that the troops would not be moved to Libya at all.

Lord Chatfield observed that it was most undesirable to scatter the ships to their foreign stations and then bring them back hurriedly in an emergency when they would probably be too late. On the other hand, the schedule of movements of the three ships had been published, and one was due to sail for South Africa, a second to Hong Kong and a third to Bermuda. If these movements were cancelled and the ships retained in the United Kingdom, this would be bound to cause comment. The present intention was for the cruisers to sail between the 24th August and the 21st September.

Sir John Simon enquired whether, in the event of the Italian troops being sent to Libya in September, it would then be the intention to retain the three cruisers in the Mediterranean.

Lord Chatfield suggested that this would be regarded as 'tit-for-tat.'

Sir Robert Vansittart pointed out that the decision to send the troops to Libya had been published in the Italian Press.

Mr. Eden said that he opposed doing anything provocative. On the other hand, the situation had not changed so much for the better that we could afford to cease our vigilance.

The Chairman enquired whether it would be possible to postpone the sailing of the cruisers for two or three weeks and for them to be stationed temporarily at Gibraltar.

Lord Chatfield said that, unless the situation was considered to be dangerous, it would be better for the ships to proceed to their foreign stations. He was confident that, from the naval point of view, the position in the Mediterranean could be held with our existing cruiser forces, although the presence of three additional cruisers would naturally have advantages. At the meeting of the Chiefs of Staff Sub-Committee held the previous day, the Chief of the Imperial General Staff and the Chief of the Air Staff had expressed the view that there was no necessity for the convoys carrying reinforcements of personnel and stores to Egypt to proceed via the Mediterranean. This would considerably simplify our naval problems. The advantages of having three additional cruisers in the vicinity of the Mediterranean were not so great as to justify taking a risk of causing a deterioration in the political situation.

The Chairman suggested that, as a result of the foregoing discussion, it seemed clear that, from the broad military point of view, the availability of the three cruisers in the Mediterranean was not a vital factor. The best plan would be for them to proceed to their foreign stations. It might be possible for them to sail a little later than as at present arranged and 'dawdle' en route.

Lord Zetland invited the Committee's attention to paragraph 6 of the Chiefs of Staff memorandum, the final sentence of which read as follows:

> 'This important calculation, however, depends upon the availability of immediate reinforcements from India, amounting to approximately a brigade arriving in Egypt within 24 days of the outbreak of war.'

In the present reinforcement commitments outside India which India had provisionally undertaken, the reinforcement of Egypt was very low in the order of priority. India's first commitment was the despatch of reinforcements to Singapore. Next the reinforcement of the Anglo-Iranian Oil Company's property in Persia. After that came Hong Kong. Under the present arrangements Egypt came fourth in priority. It would appear necessary, therefore, to ask the Indian Government if they were prepared to alter their priority list and place Egypt at the top.

The Chairman remarked that priorities are always relative. For instance, as far as the Far East was concerned, the reinforcements required for Singapore and Hong Kong could temporarily be regarded as out of the picture.

Lord Swinton suggested that it would be for the Committee of Imperial Defence to inform the Government of India as to the order of priority in which reinforcements would be required, and not for the Indian Government to judge the order of priority.

The Chairman proposed that the Committee of Imperial Defence should temporarily place Egypt at the top of the priority list for reinforcements and that the position should be reviewed again in September or October. He agreed that the Indian Government should be informed accordingly.

Lord Zetland agreed and said that another point arising in this connection was the character of the forces required. It would depend upon the locality to which the troops were to be sent as to their composition.

Sir Cyril Deverell stated that a brigade of mixed European and Indian troops would be acceptable as reinforcements for Egypt. Reverting to the question of the despatch of Italian troops to Libya, it should be noted that there was at present no information that these troops were to be employed for offensive purposes. As a further point, Sir Cyril Deverell remarked that the situation in Palestine might have a very serious effect on the defence of Egypt. If serious trouble arose in Palestine, we might be hard pressed in Egypt. If, on the other hand, we had to deal only with the defence of Egypt, we could hold our position in the Western Desert until the arrival of reinforcements. This would be conditional on the establishment of a 60-day reserve of stores in Egypt in peace-time.

Conclusions

The Committee of Imperial Defence agreed

(i) To take note of the Memorandum by the Chiefs of Staff Sub-Committee on the situation in the Mediterranean and Middle East in the event of a unilateral war with Italy in 1937 (C.I.D. Paper No. 1346B).

(ii) To invite the Secretary of State for India to inform the Government of India that, for the time being, reinforcements for Egypt should be given priority over all other reinforcement commitments which the Government of India have conditionally accepted.

(iii) That the Garrison of Egypt should be provided with sufficient supplies, maintenance reserves, and war wastage reserves, to enable it to operate for a period of two months.

(iv) That the War Office should be authorised to take immediate but unobtrusive steps to build up their reserves of supplies and stores in Egypt to the figure mentioned in Conclusion (iii) above.

(v) That, with reference to Conclusion 1 (iv) of the Defence Plans (Policy) Sub-Committee, which was

> 'To postpone a decision in regard to the other measures mentioned in paper No. D.P.(P)9 (page 7 paragraph 2), e.g., the issue of orders to the cruisers which are due to sail for China, South America and South Africa in August, to "work up" at Gibraltar en route, pending the result of the Prime Minister's interview with Count Grandi,'

the Admiralty should adhere to the published programme for the movement of the three cruisers to their foreign stations, except in so far as their sailing dates might be temporarily postponed without exciting comment, and arrangements made for the ships to 'dawdle' en route.

No. 75

Copy of a letter[1] *from M. Maisky to Lord Plymouth*

[W 14915/7/41]

July 29, 1937

Sir,

In conformity with the request contained in the letter of the Secretary of the Non-Intervention Committee dated the 26th July, reference N.I.S. (36)608,[2] I have submitted to my Government for its consideration the proposals of the United Kingdom Government of July 14th.[3] I have now the honour, on instructions of my Government, to state its reply to the above-mentioned proposals which is as follows:

A. 1. (a) The Soviet Government considers that the system of placing observers on merchant ships flying the flag of any of the parties to the Agreement bound for or calling at any Spanish ports should be continued. The essential condition, of course, is that this system of taking on board international observers is adhered to by the ships belonging to all the members of the Non-Intervention Committee.

(b) The Soviet Government is of the opinion that the naval patrol system should be continued. It would agree to the abolition of the naval patrol system only in case it were possible to appoint observers of the Non-Intervention Committee in all Spanish ports without exception, and providing the international observers are accorded all the necessary facilities and safeguards which would enable them to perform their duties in an effective manner.

2. The system of supervision on the land frontiers of Spain must be maintained. The restoration of supervision on the land frontiers should coincide either with the full working of the naval patrol system or if the latter is replaced by international observers in Spanish ports with the date on which these observers in all Spanish ports will begin to perform their duties.

B. 3. At the time of conclusion of the Non-Intervention Agreement, the Republican Government situated formerly in Madrid and at present in Valencia was recognised by all the participants of the Agreement as the only legitimate Spanish Government. Therefore, Franco and other generals associated with him could not be considered as anything else but rebels and criminals who have violated the laws of Spain. A change in attitude towards Franco, and the more so the granting to him of any rights legalising his rebellion represents an act of open interference in Spanish affairs in favour of the rebels and at the same time a change of the whole foundation on which the obligations of Non-Intervention were undertaken and the Non-Intervention Committee in London created.[4] Even consent in principle only to grant Franco, in case he fulfils certain conditions, belligerent rights, would in itself amount to a change of attitude towards Franco as the leader of the rebels which would preserve its significance even in case Franco does not fulfil the conditions put to him.

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[1] Circulated to the N.I. Committee as N.I.S. (36)626, together with 25 other replies to the request at the 60th meeting of the Chairman's Sub-Committee for written comments on the British supervision proposals: see No. 63, note 1. For the French reply of July 28, welcoming the British plan, see *D.D.F.*, *op. cit.*, No. 282. The Italian reply is referred to in No. 76 below. At the 61st meeting of the Chairman's Sub-Committee on July 30 it was agreed to adjourn for a short time 'to enable governments to consider the position which had arisen' and in the meantime the replies of the nine governments represented on the Sub-Committee were to be published as annexes to the *communiqué* summarizing the 61st meeting. The adjourned meeting took the form of the 62nd meeting on August 6.

[2] See No. 63, note 1.

[3] No. 38.

Apart from that, the Soviet Government has no doubts whatever that Franco will either refuse to agree to the withdrawal of foreign nationals, or having given his consent to the withdrawal will not loyally carry out their evacuation. The Soviet Government has also doubts as to the loyal and complete recall of the so-called volunteers, but actually military formations, by certain members of the London Non-Intervention Committee. Thus the conditions to which the granting of belligerent rights in the British proposals is made subject will not be fulfilled, whereas the granting in principle of belligerent rights to Franco will remain. The Soviet Government cannot give its consent to this.

If and when the complete and loyal evacuation from Spain of all foreign nationals engaged in the conflict there is effected, then a new situation will arise, likely to allow a return to the examination of those points of the British proposals which in the opinion of the Soviet Government could not and should not be settled at the present time.

4. The Soviet Government agrees to the extension of the Non-Intervention Agreement so as to prohibit the carriage to Spain from any port by ships entitled to fly the flag of any of the parties to the Agreement of goods on the prohibited list. So far as the ships flying the flag of the U.S.S.R. are concerned, such prohibition is already covered by the instructions given by the appropriate authorities of the U.S.S.R. to the masters of Soviet merchant vessels in fulfilment of the provisions contained in the annexe to the resolution of the Non-Intervention Committee adopted at the meeting held on Monday March 8th, 1937.

5. The Soviet Government agrees to invite non-member Powers to co-operate with a view to making the policy of non-intervention more effective and to become parties to the Non-Intervention Agreement provided no reference is made in the invitations to be sent out to various non-member Powers and in any negotiations which may result therefrom to the question of belligerent rights to which the Soviet Government cannot give its consent for the reasons stated in paragraph (3) above.

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[4] Cf. No. 63, note 3.

6. The Soviet Government would consider it highly desirable to establish a system of supervision in regard to foreign aircraft which enters Spain under their own power, and is prepared to examine any suggestions in regard to this problem which may be submitted to the Committee. The Soviet Government, however, has no practical measures to suggest likely to serve that purpose.

C. 7. The Soviet Government considers that all foreign nationals participating in one form or another in the military operations in Spain must be recalled. It therefore maintains that the Moroccans specially brought over by General Franco to Spain to fight against the legitimate Republican Government of Spain must also be evacuated. The Soviet Government is prepared to collaborate with all the other members of the Non-Intervention Committee in adopting all the necessary measures calculated to bring about the complete withdrawal of foreign nationals from Spain to the extent stated above.

D. 8. (i) The Soviet Government does not object to the British suggestion to establish officers in Spanish ports and to the withdrawal of naval patrol as soon as possible provided the conditions stated in the Soviet Government's reply to the proposal contained in 1 (a) above are observed.

(ii) The Soviet Government also agrees to the establishment of Commissions in Spain to make arrangements for and to supervise the withdrawal of foreign nationals, and to the extension of the Non-Intervention Agreement to non-member Powers to follow (i) as quickly as possible.

(iii) In view of the statements contained in the reply of the Soviet Government to paragraph B. (3) above, the question as to the time when the granting of belligerent rights is to become effective does not arise.

E. 9. The Soviet Government agrees to authorise the Chairman, on behalf of the whole Committee, to enter into discussions with the Spanish Government and General Franco for the purpose of obtaining their agreement to (1) the establishment of officers in Spanish ports (paragraph 1 (b) above); and (2) the withdrawal of foreign nationals (paragraph 7 above) including the establishment of the Commissions in Spain.

As regards point (3) of paragraph E (9) of the British proposals, namely, to authorise the Chairman to enter into discussions with the Spanish Government and General Franco in regard to the conditions on which belligerent rights are to be granted, the Soviet Government does not find it possible to give its consent to this proposal for the reasons stated in paragraph B (3) above.

Please accept, Sir, the expression of my high consideration and esteem.

J. MAISKY

No. 76

Mr. Eden to Sir E. Drummond (Rome)

No. 784 [*W 14736/7/41*]

FOREIGN OFFICE, *July 29, 1937*

Sir,

Count Grandi showed me today during a conversation which he had this afternoon, copies of the reply which he had sent to Lord Plymouth on the subject of the British plan.[1] On reading it I remarked that I was not clear what was meant by the Italian comments in para. 8, sub-section 3. Count Grandi replied that this paragraph meant that the Italian Government would accept whatever the two parties in Spain would accept on the subject of the withdrawal of volunteers, this was surely as far as they could be expected to go at present. Lord Plymouth could now approach the two parties in Spain and if they were willing to agree then Italy would make no difficulties.

2. I replied that the position did not seem to me quite so simple as that. There was all the difference in the world between Lord Plymouth being asked to approach both parties in Spain to ask them to agree to proposals which already had the agreement of the whole Committee, and being asked to approach them while the Committee was divided in its views.

3. Count Grandi replied that he appreciated this, but he feared that it really would not be possible for his Government to go further than this at present. We must realise that they had made a considerable step towards us, and they simply could not admit that belligerent rights should not be granted until say 90 per cent of the volunteers had been withdrawn. I said that I could not see why it was more difficult for them to make such a statement than for example for the French Government to say that they would agree to belligerent rights if volunteers were withdrawn. Count Grandi rejoined that there was too much at stake from the Italian point of view. This question of volunteers was wrapped up with that of national honour. The Italian Government simply could not say now that the volunteers ought to come back. This did not mean, however, that they were seeking to hide behind General Franco. It might be that if General Franco could be persuaded that volunteers on the Government side would be withdrawn he would be willing to modify his own attitude towards the withdrawal of volunteers. If so the Italian Government would certainly make no objection. We surely could not

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[1] See No. 75, note 1. This letter of July 28 to Lord Plymouth listed all the paragraphs and sub-paragraphs of the British plan, and had the word 'accepted' against all except paragraph 8 (iii). Here there appeared the following comment. 'It cannot be denied that for several months now the struggle in Spain has been of a stature and nature which justifies the recognition of the two parties as belligerents. The Italian Government are of opinion that such recognition should be granted at once. However, as the British proposals contemplate negotiations between the committee and the parties in Spain, on whose co-operation depends the successful execution of the British plan, it is clear that the two parties in conflict must themselves indicate on what bases they are prepared to discuss the recognition of belligerent rights.'

imagine that the Italians liked the idea of having a large number of men in Spain risking their lives. I replied that it was important that the Italian Government should understand our point of view in this matter. We attached great importance to the withdrawal of these volunteers because until that happened it would be wellnigh impossible to bring about that improvement in international relations generally, and in the Mediterranean in particular, which we so much desired. His Excellency who knew this country well must realise that suspicions were inevitable so long as large numbers of Italian nationals, many of whom we believed to be regular soldiers, were in Spain. There would be constant anxiety as to what the ulterior motives of the Italian Government might be—anxiety which no amount of assurances would fully allay. It was therefore in the interest of international understanding that the volunteers on both sides should be withdrawn.

4. The Italian Ambassador appeared to understand this, but repeated that his Government had gone as far as they could go now. He had told me originally that this matter might be resolved if patience were shown, but it would have to be very delicately handled.[2]

I am, etc.,
(For the Secretary of State)
WALTER ROBERTS[3]

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[2] On the same day the German Ambassador at Rome quoted Count Ciano as being satisfied with the deliberations of the N.I. Committee in London. 'The type of Olympic contest in progress there at present, in which now one, now another Ambassador claimed victory, was not injurious to our interests. We could calmly await the further course of events . . .' *D.G.F.P.*, *op. cit.*, No. 404.

[3] The despatch was initialled by Mr. Eden: Mr. Roberts was Head of the League of Nations and Western Department.

No. 77

Mr. Eden to Sir E. Drummond (Rome)

No. 786 [*R 5233/1/22*]

FOREIGN OFFICE, *July 29, 1937*

Sir,

During the course of a conversation with the Italian Ambassador this afternoon we spoke of Count Grandi's interview with the Prime Minister,[1] and I told His Excellency that the Prime Minister had been thinking over the interview of the 27th and there was one point which he had asked me to bring to His Excellency's notice before he reported his conversation with him to Signor Mussolini. Count Grandi would remember that I had made a speech in the House of Commons on July 19th in which I spoke of the situation in the Mediterranean and that after saying that there was plenty of room for all of us there I had given a categoric assurance that this country would never pursue a policy of either aggression or revenge and added that we wished to live in peace and friendship with our neighbours in the Mediterranean.[2] I felt that I must point out to Count Grandi that this public statement had met with no response in Italy itself. If it were possible for Signor Mussolini himself or Count Ciano to reciprocate the sentiments which I had expressed I felt sure that such a statement would be helpful. The Prime Minister shared my view, and I hoped that Count Grandi would be good enough to make it known in Rome.

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[1] See No. 64.

2. The Italian Ambassador seemed fully to appreciate the point, but said that the difficulty was to know how to meet our requirements. Count Ciano himself did not make speeches but there was always the possibility of an article by Signor Mussolini. Count Grandi would be frank with me and say that he himself was a little apprehensive of this method, for whatever Signor Mussolini's intentions the expressions he might employ in such an article might not always produce the result desired. In any event he would be grateful if I would leave it to him to deal with this matter as seemed to him best.

3. In thanking Count Grandi I added that I was glad that he had mentioned Signor Mussolini's articles, since in respect of the last one there had been a phrase which had somewhat perturbed me. The article had ended by saying 'One day these stately houses will be upset by reality that has in all times gone by one single serious irreplaceable name'. At first Count Grandi doubted the existance of this sentence, but on examining the Italian text which he had with him he found that the last words of it had been printed. I asked His Excellency what this 'one single serious irreplaceable name' could be. Count Grandi professed to be unable to supply it, but most vehemently denied that the missing word could be a bellicose one.

4. I then said that since I had noticed that in his conversation with the Prime Minister on the 27th Count Grandi had mentioned that the visit of Sir Samuel Hoare to the Mediterranean last August[3] was one of the reasons for Italian alarm, I thought it well to warn him in advance that the present First Lord of the Admiralty was also contemplating such a journey. Count Grandi in thanking me at once said that the atmosphere was quite different now and that no similar suspicion would attach to Mr. Duff Cooper's visit. He added that while he appreciated that we might consider that the visit could hardly be an occasion for political contacts, he hoped it might be possible for the First Lord to put in at some Italian port and perhaps even to meet one or two Italian naval officers.[4]

I am, etc.,
(For the Secretary of State)
PHILIP NICOLS

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[2] See No. 48, note 4.

[3] See Volume XVII, No. 226.

[4] This despatch was initialled by Mr. Eden.

No. 78

Letter from Mr. Chamberlain to Mr. Cordell Hull[1]

[A 5542/228/45]

10, DOWNING ST, S.W.1, *July 30, 1937*

Dear Secretary of State,

I am very much indebted to you for the memorandum which you were good enough to hand to Sir Ronald Lindsay on the 1st June[2] in regard to the points of political importance raised in the message which I had previously sent through Mr. Bewley to Mr. Morgenthau.[3] I have studied the memorandum closely and should like to express to you my appreciation of the care with which you have gone into the subject.

I need not assure you that I find myself in full agreement with the general objectives which you set out in your paper. I earnestly share your hope that the policies of the nations may be directed away from ideas of national exclusiveness into channels of political and economic co-operation; and it will be the constant aim of this country, by every means in its power, to promote the realisation of this hope.

In particular, it is my sincere desire that there should be the greatest possible measure of co-operation between our two countries in all fields in which our mutual interests are concerned, since I am convinced that close and cordial association between us is essential for the furtherance of our common aims.[4]

Yours sincerely,
N. CHAMBERLAIN

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[1] U.S. Secretary of State for Foreign Affairs. [2] Volume XVIII, No. 560.

[3] See *ibid.*, Nos. 250, 268, 290, and 297. Mr. Bewley was Financial Adviser to H.M. Embassy at Washington until March, 1937. Mr. Morgenthau was Secretary to the U.S. Treasury.

[4] This letter was sent to Sir R. Lindsay in despatch No. 747 of August 5 for delivery to Mr. Cordell Hull.

No. 79

Sir G. Ogilvie-Forbes (Berlin) to Foreign Office[1] *(Received August 3)*

No. 508 Saving: Telegraphic [W 14840/7/41]

BERLIN, *August 2, 1937*

Negotiations in Non-Intervention Committee have now reached a stage at which it is appropriate to record German standpoint to date.

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[1] Mr. Eden had left London for a three week holiday at Fawley on Southampton Water. Lord Halifax took charge of the Foreign Office during his absence. Before leaving Mr. Eden set out his present policies, together with comments on Foreign Office departmental personnel, in a letter for Lord Halifax's guidance dated August 1 and preserved in the Halifax Papers at Churchill College, Cambridge. Referring to the Spanish civil war, Mr. Eden said that he did not want General Franco to gain an early victory, and that he did not therefore want 'to discourage those who are breaking the rules for the [Spanish] govt.'. He stressed the

As you are already aware British compromise plan was received in Germany with sympathetic reserve and with appreciation of His Majesty's Government's proposal to grant belligerent rights to General Franco. Great Britain was therefore left alone and the vials of Nazi wrath and inordinate craving for sensation were poured forth first upon France when the reports of her hesitating attitude towards the plan and of reinforcements for Valencia (see my telegram No. 483)[2] reached here almost simultaneously. The turn of Russia then came when questionnaire was considered and Soviet last-moment declaration refusing to grant recognition to General Franco came as a bombshell and let loose the storm of criticism indicated in my telegram No. 194.[3]

So far as Great Britain is concerned we have come well out of it and have indeed gained credit in German eyes through our willingness to recognise General Franco as a belligerent under conditions which were they for settlement only between Germany and ourselves might be capable of adjustment. Now of course opinion here is that Soviet government has deliberately wrecked the whole scheme.

In discussing this subject Acting Minister for Foreign Affairs[4] reminded me that Germany had not yet said her last word on the plan. Indeed he went further and said that the Government had not yet expressed its official opinion. This is however difficult to reconcile with Herr von Ribbentrop's speech.[5] The government he said did not want to hurry matters and still maintained an attitude of reserve. Speaking purely privately he was very doubtful if the scheme could be proceeded with at all in view of Soviet's uncompromising attitude and he wondered whether remaining non-interventionist Powers could carry on without Russia. This latter idea was not intended to be a *sondage*.

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importance of solidarity with the French: '. . . it is known in London that French Govt. desire non-intervention policy to be continued if possible. London shares that view'.

Moving on to Anglo-Italian relations, Mr. Eden's guidelines appear to have been in direct contradiction to the policy being pursued at that time by Mr. Chamberlain (see Nos. 64, 65, and 80, 81 below). Mr. Eden felt that 'we should also go slow about Anglo-Italian rapprochement & talk as little as possible in the press about Abyssinia. The Italians will try to push us into concessions or the promise of them in advance of negotiation. It is sinister that their list of demands, in their own press, is growing steadily. It is, I am sure, to our interest to "lay off" discussion of Anglo-Italian relations for the present except for an occasional hint that the presence of 50,000 Italians in Spain is a shadow over them that we should like to see removed'. Lord Halifax was evidently well aware of the discrepancies between the views of the Prime Minister and Foreign Secretary: cf. No. 90, note 20 below.

[2] This telegram of July 22 referred to a report by an official Nazi press agency that the entry into Spain of 800 volunteers of the French Foreign Legion had been facilitated by the French authorities. The report was categorically denied by the French Government.

[3] Of July 31, not printed: cf. No. 63, note 1. See also No. 75.

[4] Herr von Mackensen.

[5] i.e. at the 61st Chairman's Sub-Committee meeting on July 30: see No. 75, note 1. In his speech Herr von Ribbentrop reserved his government's attitude towards the new situation created by the Soviet declaration which, he said, had destroyed the British plan: 'We Germans have known for a long time that, but for Soviet Russia, there would be no Spanish civil war today.'

No. 80

Record by Mr. Chamberlain of a conversation with Count Grandi

[*R 5313/1/22*]

10, DOWNING STREET, S.W.1, *August 2, 1937*

Count Grandi called at his own request to deliver personally to me a letter which had been written to me by Signor Mussolini.[1] At the same time he handed me a typed copy of the letter and also an English translation.

He began by saying that the Duce had warmly welcomed the result of our previous conversation[2] and that he was anxious now to follow it up by further steps in the same direction.

He mentioned that after seeing me he had had a conversation with the Foreign Secretary who had informed him of my desire that there should be some public response to the speech which the Foreign Secretary had made in the House of Commons.[3] This he had transmitted to Rome, and he now wished to bring to my attention four points which resulted from the further communication he had had from headquarters.

1. Count Ciano would, in the course of the next few days, give an interview to a paper in which he would make a public response to Mr. Eden's speech. He was obliged to take this method as the Italian Parliament was not sitting and there was no occasion on which he could make a speech at the moment.

2. Before long Signor Mussolini would be making a speech at Palermo in which he would say some things which were intended to be friendly and helpful to us. This would be a further response.[4]

3. Signor Mussolini was anxious to give all the assistance he could to the establishment of a new Locarno, and to the bringing into greater harmony of the four Powers: viz. Great Britain, France, Germany and Italy.

4. If, as reported in the British newspapers, there was any idea of a meeting between Mr. Eden and Count Ciano, Signor Mussolini would be very glad to respond and to make the necessary arrangements.

Count Grandi then added, on his own account, a fifth point, namely, that since Signor Mussolini and Count Ciano had already taken their holidays, July being the holiday month in Italy, it would be quite possible for them to enter upon discussions with Sir Eric Drummond in Rome during August, and he suggested that this would be advantageous as it was most important that the Duce himself should take part in the talks.

Count Grandi then said he wished to call my attention to a passage in *The Morning Post* of the 2nd August, dealing with the treatment of the Abyssinian question at the next meeting of the League in Geneva in September, which contained the following words:

'An opportunity to discuss it will arise at the meeting of the Assembly in

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[1] Enclosure in No. 81 below. [2] No. 64. [3] See No. 77.

[4] See *The Times*, August 21, 1937, p. 10, for an account of Signor Mussolini's speech at Palermo on August 20.

September, but unless the Abyssinians send a delegation, which is unlikely, or unless there is a special request to discuss it by one of the Governments, there is no reason why it should be raised.'

On this the Ambassador commented that if the subject were not raised in September and the way thus freed for Governments ultimately to recognise the Abyssinian conquest *de jure*, he was afraid nothing further could be done for another year. To this I replied that these were matters for the Foreign Secretary to deal with.

As the Ambassador got up to go I told him there was one other point that I should like to mention to him. He would doubtless have observed that the comments in the French press upon the improvement in relations between Italy and this country had been none too friendly. I was afraid that this was, if not due [to], at least fomented by, some passages in the Italian press, which had drawn comparisons between the British and French attitude to Italy, to the disadvantage of the latter. I said that we were never prepared to sacrifice old friendships in order to make new ones, and that we did not desire that our improved relations with Italy should result in a worsening of relations between Italy and France, or France and Great Britain. I hoped, therefore, that on the Italian side there would be restraint in commenting on the French attitude. Count Grandi immediately said that he would communicate these observations to Signor Mussolini who would, he was sure, damp down Italian aggressiveness, and impose restraint upon his press. The fact was that the feeling between the Italian and the French Governments was very bitter, but this was because of the political antagonism between Fascism and the Front Populaire. Relations had been good between the two Governments in Monsieur Laval's time, but Monsieur Blum had, no doubt for purposes of internal policy, assumed a different attitude towards Fascism, and it had been resented. On this I contended [*sic*] myself with expressing my satisfaction at his promise to communicate with Signor Mussolini, and my assurance that from our side any influence we had with the French would be towards restoring more friendly relations with Italy.

No. 81

Count Grandi to Mr. Chamberlain

[*R 5313/1/22*]

ITALIAN EMBASSY, *August 2, 1937—XV*[1]

My dear Prime Minister,

As I said in the course of our conversation of last Tuesday,[2] I had hoped that I myself might be the bearer of your message[3] to Signor Mussolini. But as my departure for Italy has been postponed, I sent it instead at once by air

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[1] This figure referred to the number of years of Fascist rule in Italy.

[2] No. 64.

[3] No. 65.

courier to Rome, whence it was forwarded immediately to the Duce who is at present in the North of Italy.

The Duce now asks me to convey to you the enclosed message which I have just received, in which he answers your letter of July 27th. With the original letter from Signor Mussolini I am sending for your convenience a copy in Italian and a rough translation in English.

Yours very sincerely,
GRANDI

ENCLOSURE IN NO. 81

Letter[4] *from Signor Mussolini to Mr. Chamberlain*

IL CAPO DEL GOVERNO, ROMA, *31 luglio 1937, XV*

Caro Mister Chamberlain,

l'ambasciatore Grandi mi ha inviato il Suo cortese messaggio e mi ha messo al corrente del molto interessante colloquio che egli ha avuto con V[ostra] Eccellenza.

La ringrazio vivamente e mi affretto a comunicarle che è anche mio vivissimo desiderio conoscerla personalmente e intrattenermi con Lei.

Rammento con viva simpatia Sir Austin [*sic*],[5] la nobiltà del suo animo, la sua intelligenza aperta e acuta e serbo profondo ricordo dell'opera svolta con lui nell'interesse dei nostri due paesi e della ricostruzione politica europea.

Il Conte Grandi ha già comunicato a V[ostra] E[ccellenza] il mio punto do vista sullo stato attuale e sul possibile sviluppo delle relazioni italo-inglesi.

Voglio confermarle che condivido il giudizio di V[ostra] E[ccellenza]. Credo anch'io e sinceramente lo desidero che sia possibile ricondurre le relazioni trai i nostri due paesi sul piano di una cordiale e proficua collaborazione.

Gli interessi dell'Italia e della G[ran'] B[retagna] non sono contrastanti nè in Mediterràneo nè altrove. Anzi essi possono constituire attraverso la loro pacifica coesistenza un motivo di più attivo incremento allo sviluppo dei nostri rapporti.

Se, come V[ostra] E[ccellenza] accenna, l'atmosfera è in alcune zone ancora oscurata di nubi di infondati sospetti e malintesi, una completa e franca chiarificazione dei reciproci intendimenti varrà certamente a ristabilire quella mutua fiducia sulla quale deve basarsi ogni vitale intesa internazionale.

A tale scopo sono lieto di accogliere l'idea avanzata da Vostra Eccellenza di iniziare delle conversazioni durante le quali dovranno venire esaminate in

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[4] The Italian text printed here has been taken from Signor Mussolini's manuscript letter preserved in the Chamberlain Papers.

[5] Sir Austen Chamberlain died on March 16, 1937.

uno spirito di sincera collaborazione quelle questioni che attendono d'essere risolte ai fini di un ritorno all'auspicata intesa italo-brittannica [*sic*].

Mi creda, mio caro Primo Ministro, suo

MUSSOLINI[6]

[6] Signor Grandi's 'rough translation' was as follows.

'Dear Mr. Chamberlain,

Count Grandi, the Italian Ambassador, has sent me your kind message and has informed me of the most interesting conversation he had with Your Excellency [See Nos. 64 and 65].

I thank you wholeheartedly and I hasten to let you know that it is also my warmest wish to meet you personally and talk things over with Your Excellency.

I remember with the greatest sympathy Sir Austen—the nobility of his mind, his broad and clear intelligence—and I cherish the recollection of the work we accomplished together in the interests of our two countries and of the political reconstruction of Europe.

Count Grandi has already conveyed to Your Excellency my views on the present situation of Anglo-Italian relations and on their possible development.

I wish to confirm that I share Your Excellency's opinion. I, too, believe it possible and sincerely wish to bring back the relations between our two countries on the basis of a cordial and far-reaching collaboration. The interests of Italy and Great Britain are not opposed either in the Mediterranean or elsewhere. On the contrary, through their peaceful co-existence they may constitute a reason for increasing more actively the development of our relations.

If the atmosphere—as Your Excellency points out—is still shadowed somewhere by clouds of unfounded suspicions and misunderstandings, a thorough and frank clarification of our respective intentions shall certainly lead to the reestablishment of mutual confidence, which is the foundation of any international agreement.

To this end, I am glad to agree with Your Excellency's suggestion that conversations be entered upon in the course of which will have to be examined, in a spirit of sincere collaboration, those questions which still wait for a solution, in order to ensure the understanding we desire to reestablish between our two countries.'

No. 82

Sir E. Drummond (Rome) to Foreign Office (Received August 3, 9.30 a.m.)

No. 428 Telegraphic [*R 5280/1/22*]

ROME, *August 3, 1937, 6.10 a.m.*

Count Ciano said to me this morning[1] that he wished to keep me informed of developments which as I probably knew were taking place in London. He showed me letter which Signor Mussolini is sending to the Prime Minister via Count Grandi[2] in reply to Prime Minister's letter[3] which I told him I had already seen. It should reach its destination tomorrow. After assuring Mr. Chamberlain that he thoroughly reciprocates friendly feeling he expressed, Signor Mussolini concludes by stating that he would be ready at any moment to enter into conversations on any points outstanding between the two countries.

Count Ciano expressed the view that such conversations should preferably take place in Rome and be regarded as a continuation of conversations we had had together which resulted in Mediterranean declarations.[4] This was also Count Grandi's opinion and as I knew Signor Mussolini preferred Rome for such negotiations.

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[1] i.e. August 2.

[2] See Enclosure in No. 81.

[3] No. 65.

I said I rather gathered that my Government shared this view and enquired whether he had any idea as to what and when conversations should begin. Count Ciano replied that he had nothing very definite in mind but he thought a suitable date would be towards the end of August and the beginning of September. When I hesitated a little he added that of course nothing final could be concluded till after the meeting of the Assembly of the League which he believed took place about the 13th of September. I observed that this was a point that I had in mind; I did not know whether conversations could begin before that; my intention was to go home at the end of this week and I would hope then to have a discussion with my Government and ascertain their views. I had already informed them that I would naturally be prepared to return at any moment should it be decided that conversations should be begun here. We then went over the ground as to points on which conversations could turn. Count Ciano remarked that of course the foundation for conversations would be and was the *de jure* recognition of Italian sovereignty in Abyssinia. Other points to be agreed upon would be Kenya boundary, the Sudan boundary, and Lake Tsana; the exploratory possibility of which Count Grandi had mentioned, of exchange of information about naval, military and air arrangements in the Mediterranean; and I added Italian activities and propaganda in the Middle East.

On the Mediterranean point I said I did not know whether Count Grandi had been speaking on his own responsibility or under instructions. I gathered from Count Ciano's reply that ideas had been mainly if not entirely the Ambassador's own though the Minister for Foreign Affairs pointed out that the vicious circle of defence armaments in the Mediterranean, first of all taken by one Government, and then responded to by the other, ought to be broken down. I observed that in my view it would be difficult if not impossible on our side to begin with acknowledgment of obligations of *de jure* recognition; I thought speaking personally that our hands in this matter would be bound till the League meeting in September and I therefore rather wondered whether it would not be necessary to postpone conversations till then. To this Count Ciano answered that he thought we might start conversations before the meeting, finding some formula which would leave us technically with a free hand as regards recognition and then continue and conclude them after the Assembly had met i.e. towards the end of September. He stated that he felt the only problems between Italy and Great Britain were psychological[,] restoration of confidence in each other's intentions and assurances; once this had been done all questions, even such as armaments in the Mediterranean, would fall into a proper proportion. Further we ought to settle everything so that agreements would be complete and not keep some subjects in reserve as too difficult to handle. Unhappily this had happened as regards the Mediterranean declaration.

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[4] See Volume XVII, No. 530.

To this I replied that it was clear that certain subjects such as Abyssinia could not have been dealt with at that time but I quite agreed that clarification should be as definite as possible.

Count Ciano told me that the Secretary of State had remarked to Count Grandi that no response had ever been made to his speech of July 19th.[5] Count Ciano intended to give interview within the next few days in which he would reply welcoming the speech and making certain remarks as to Anglo-Italian relations which he now thought were on the way to a really satisfactory foundation.[6] He added that Signor Mussolini intended to make a big speech at Palermo on August 19th (the manoeuvres end on the 20th) in which he would explain reasons for the manoeuvres being held in Sicily and endeavour to clarify international situation. The speech would be couched in a conciliatory vein.[7]

The conversation finally turned upon Spain and here the Minister for Foreign Affairs observed that he thought even Spanish question was largely a matter of psychology; if we trusted the Italian assurances we ought not to have any considerable objection to Italian volunteers fighting on Franco's side. Of course if we did not trust them the situation must be different. But as he saw things today the psychological question was what really mattered between Italy and Great Britain. We must try and place relations between our two countries on a basis which would endure if not for ever at least for as long as human beings could reasonably foresee.[8]

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[5] See No. 77.

[6] In a letter of August 3 to Sir E. Drummond Count Ciano sent a copy of an interview which he had given to the Rome correspondent of the 'Universal Service' as the result, he wrote, 'of a suggestion by Mr. Eden which reached me through Grandi'. Asked by the interviewer about the present state of Anglo-Italian relations he replied: 'I believe a great stride forward has been made toward clearing the atmosphere and, what is more important, in removing mutual suspicions and distrusts. Italy has been favourably impressed by the recent frank speeches of Mr. Eden and Mr. Duff Cooper. These important speeches paved the way for the very important exchange of letters between il Duce and Chamberlain . . .' There were four other questions and answers in the same vein.

[7] Cf. No. 80, note 4.

[8] Foreign Office telegram No. 263 to Rome of August 4 summarized Mr. Chamberlain's account of his conversation with Count Grandi on August 2, and went on to instruct Sir E. Drummond to see Count Ciano again as soon as possible and say that 'H.M.G. cordially welcome opportunity now opened for full and frank conversations with the Italian Government; and that matters will be fully discussed with you and your instructions drafted on your return to London'. He was to add 'that we hope to see discussions started towards the end of August or beginning of September, as Count Ciano suggested in his conversation with you on August 3rd [2nd]'.

In a note to Mr. Chamberlain of August 4 preserved in the Chamberlain Papers, Lord Halifax sent an account of 'what has been happening in regard to Italy', and made some comment on the Foreign Office attitude. 'I think it is all right—& hope you will think so too. They seem quite reconciled to the idea here [F.O.] tho' a little nervous of going too fast. But I think the course proposed represents the "just middle course". I am immensely glad that you have given it all a good kick off, and wholly agree that we should not let things stagnate back. But I do feel that we must keep in v. close touch with the French.'

No. 83

Foreign Office to Mr. Lloyd Thomas (Paris)

No. 1535 [*R 5293/1/22*]

FOREIGN OFFICE, *August 3, 1937*

Sir,

In the course of a conversation on the Spanish situation this afternoon, the French Ambassador made some reference to the under-lying cause of difficulty in all the non-intervention discussions, viz. the distrust which prevailed between the different nations concerned and in this connexion said that his Government had been and were a good deal disturbed by the unjust criticism and attack to which they had of late been subjected in the Italian press. It was, he thought, possible for a Government to be too tolerant and it might at times be better to take these matters up, even at the cost of some aggravation of feeling rather than to allow them to go by default. I[1] told him that as it happened the Prime Minister had mentioned this very matter in the course of his conversation with Count Grandi yesterday.[2] He had, so I understood, told the Italian Ambassador that, anxious as we were to resume our friendly relations with Italy, it was not our habit to make new friendships at the price of old ones, and that from this point of view we had been sorry to note some signs of less than friendly feeling towards France in the Italian press. The Prime Minister had accordingly expressed the hope to the Italian Ambassador that he would use his influence in Rome to secure improvement in this respect and said that we on our side should use any influence that we might have with France to assist the creation of better feeling between France and Italy. M. Corbin expressed himself as very pleased to know this and said that he should transmit what I had said to his Government.[3]

2. He went on to say that he had wished to speak to me about the reports that had appeared in the press of the Prime Minister's interviews with the Italian Ambassador. His Government naturally would be not other than well pleased at improvement of the relations between Italy and ourselves. The only thing that might cause them some concern was if the process of effecting this improvement was to give rise to mischievous reports as to the effect exerted by improvement in Anglo-Italian relations in the relations between his Government and our own. In particular it would be embarrassing for the French Government, in the event of our holding conversations and reaching any agreement on points with the Italian Government, if the French Government had not been kept generally informed of what was in progress. The effect might be to make their position somewhat difficult. He mentioned as an example the question of Abyssinia, and said that the French position had been made plain to us. If we were to proceed to recognition, in whatever form, of the Italian conquest of Abyssinia, it would be very desirable that this

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[1] Lord Halifax.

[2] See No. 80.

[3] See *D.D.F.*, *op. cit.*, No. 311.

should not be capable of being represented as something in the way of a surprise to the French Government by which they had been taken unawares.

3. In reply to all this I assured him that he might in turn assure his Government that there was nothing further from our thoughts than to allow any success that we might have in the re-establishment of better relations with Italy to be played off against France and that we should certainly make it our duty to see that as far as possible no such risk was incurred. At the same time, I had no doubt that he would agree that if we were able, while preserving in perfect loyalty to his Government our existing relations with them, by which we set great store, to reach a more harmonious understanding with the Italian Government, the result could not be other than favourable to the ends and causes that the French Government, not less than we, were concerned to promote. I told him that I hoped that if at any time his Government had any anxiety on their mind in this connexion, he would not hesitate to make me aware of it.[4]

I am, etc.,
HALIFAX

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[4] In conversation with Sir R. Vansittart on August 5 M. Corbin again stressed his government's anxiety to be 'progressively informed as to what was happening' in the Anglo-Italian negotiations, and suggested that this might be done 'privately through him by way of a private letter to M. Delbos'. Sir R. Vansittart gave a reassuring reply on the lines of paragraph 3 above. Cf. *D.D.F.*, *op. cit.*, No. 322.

No. 84

Foreign Office to Mr. Lloyd Thomas (Paris)

No. 1536 [*W 14873/7/41*]

FOREIGN OFFICE, *August 3, 1937*

Sir,

The French Ambassador came to see me[1] this afternoon and began by a short discussion of the present situation of the Non-Intervention Committee. He told me that he proposed to suggest to Lord Plymouth that it might possibly be of assistance in getting round the present deadlock, if he could, as Chairman, secure in the first place from the Committee re-affirmation of their acceptance of the British plan, and then secure their authority for the prosecution of enquiries by himself into the detailed machinery that would be requisite to carry into effect its several parts. M. Corbin's idea was that it might [be] useful to shift the discussion, if possible, from discussion of the principles to a discussion of a more technical kind. He proposed to seek an interview with Lord Plymouth to put these ideas before him.

2. Upon the general question, he told me that he had asked M. Chautemps, M. Delbos and M. Blum within the last week the definite question as to whether they preferred in the last resort to see non-intervention maintained

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[1] Lord Halifax: see No. 82.

however great a fiction it might tend to become, or whether in such an event they would prefer to see the fiction terminated. He told me they were all unanimous in preferring the first alternative, but that this was naturally not to be taken to imply that any efforts should be relaxed which might have the effect of making it work better.[2]

I am, etc.,
(For Lord Halifax)
WALTER ROBERTS

[2] Cf. *D.D.F.*, *op. cit.*, Nos. 312, 316.

No. 85

Foreign Office to Sir G. Ogilvie-Forbes (Berlin)

No. 148 Telegraphic [*C 5673/305/18*]

FOREIGN OFFICE, *August 4, 1937, 8 p.m.*

Following from Sir R. Vansittart.

Your telegram No. 195[1] and Foreign Office telegram No. 145.[2]

If German Government make representations to you about von Langen case you should say firmly that it had better be dealt with by German Embassy in London who have already taken it up.

We have in view of representations by Embassy granted extension till the end of this week, but have no intention of reversing the decision. You should refuse to be drawn into any discussion of the merits of the case and should not show any knowledge of the other cases mentioned in our telegram No. 145, nor indeed of our intentions in this case. The view that we have expressed to the German Embassy is that, after full and friendly consideration, we cannot hold that Langen's presence here is conducive to facilitating Anglo-German relations, and that we cannot modify that view.

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[1] In this telegram of July 31 Sir G. Ogilvie-Forbes asked whether there was any truth in a statement to him by Reuter's correspondent that the London correspondent of the *Lokal Anzeiger* and two other German journalists were to be expelled from the United Kingdom.

[2] This telegram of August 3 stated that 'Von Langen, London representative of National Socialist Press Agency, and three other persons (Von Nidda, Crome and Edenhofer) of lesser importance and with somewhat dubious connection with journalism have been given notice to leave this country . . . Our chief ground of objection to von Langen is character of his activities in Italy, whence he was apparently obliged to depart'.

The Foreign Office's first knowledge of Herr Wolf Dietrich von Langen appears to have been derived from a report in the *News Chronicle* of February 4, 1937, that he had been leader of the Nazi party organization in Rome, where he had ruled the very large German colony 'with an iron rod'. The Italian Government had refused to extend his permit to stay in Italy beyond the middle of February. He arrived in London on June 17, with permission to remain in the United Kingdom for three months. He was then investigated by M.I.5 which reported to the Home Office that he was a highly placed Nazi official who 'in addition to carrying out the normal duties of the *Landesgruppenleiter*, which included spying on the German Ambassador under cover of journalism, became involved in military espionage and was asked to leave Rome by the Italian authorities'. M.I.5 recommended that he should be told 'to leave the United Kingdom forthwith'. The Home Office agreed: the Foreign Office concurred on July 23. Herr Bielfeld of the German Embassy complained strongly on Herr von Ribbentrop's instructions, but was told on August 3 that the Foreign Office had decided to stand firm.

No. 86

Viscount Chilston (Moscow) to Foreign Office (Received August 5, 11.10 a.m.)

No. 126 Telegraphic [*W 14990/7/41*]

MOSCOW, *August 5, 1937, 11.20. a.m.* [*sic*]

French Ambassador[1] yesterday under instructions from M. Delbos who had already spoken to Soviet Ambassador in Paris, attempted to persuade M. Litvinov[2] to modify Soviet attitude to British plan regarding non-intervention in Spain urging that Soviet government should fall into line with other Powers and should not enable Germany and Italy to say that proposals had been wrecked by Soviet refusal.[3]

M. Litvinov appeared to be unyielding. French Ambassador's opinion is that while perhaps M. Litvinov himself might possibly be prepared for some compromise in the matter Soviet policy does not allow of this. M. Litvinov said he had not yet heard from his Ambassador in Paris. All he could say was that when he did so he would submit the matter to his government.[4]

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[1] M. Coulondre.

[2] Soviet Foreign Minister.

[3] Cf. *D.D.F., op. cit.*, Nos. 317, 318.

[4] At the sixty-second meeting of the Chairman's Sub-Committee at 3 p.m. on August 6 the attitudes of the German, Italian, and Portuguese Governments remained unchanged. The Soviet representative, M. Maisky, continued to insist that his government had every ground for refusing to consider the question of according belligerent status on any conditions. But he now explained that in its desire 'to further the work of this Committee' the Soviet Government 'visualises the possibility of examination at a later stage even of the part of the British Plan' to which he had referred. It remained the case that the Soviet Government would not even examine the possibility of a granting of belligerent rights until the speedy and complete withdrawal of all foreign nationals had been completed. This meant for the time being a complete deadlock over the British Plan. All the committee could do was to adopt Lord Plymouth's proposal that he and the Secretary, Mr. Francis Hemming, should prepare a joint report on the working of the Observation Scheme, 'this report to contain suggestions as to the best methods of restoring the scheme and improving on it'. The report was presented to the sixty-third meeting of the sub-committee on August 27. It did not meet again until October 16, 1937. The main committee did not meet until November 4.

No. 87

Sir E. Drummond (Rome) to Foreign Office (Received August 5, 3.25 p.m.)

No. 431 Telegraphic: by telephone [*R 5341/1/22*]

Immediate ROME, *August 5, 1937*

Your telegram No. 263.[1]

As I pointed out to Sir O. Sargent in my letter of August 1st[2] the essential condition for any successful negotiations with Italian Government for a general *détente* is recognition on our side of Italian sovereignty over Abyssinia. Unless we are prepared to grant such recognition conversations are bound to result in failure.

On the other hand can we start conversations on such a basis without informing other interested League Powers of the probability that, provided present *détente* in Anglo-Italian relations continues, we shall, in the interests of general European conciliation, propose to grant *de jure* recognition at forthcoming Assembly of the League?

Unless His Majesty's Government are prepared to take such action in the near future, would it not be a mistake to indicate at this stage a definite time for beginning conversations?

Might it not be wiser simply to inform Count Ciano that the question of dates will be discussed with me when I return to London and that ideas of His Majesty's Government on this point will be communicated to him as soon as possible. He knows I am prepared to return from leave at any moment.

I am asking to see Minister for Foreign Affairs tomorrow morning and should therefore be glad of an urgent reply.

[1] See No. 82, note 7.

[2] Not printed (R 5288/1/22).

No. 88

Sir G. Ogilvie-Forbes (Berlin) to Foreign Office (Received August 7, 5.15 p.m.)

No. 199 Telegraphic [*C 5726/305/18*]

Important BERLIN, *August 7, 1937, 3.55 p.m.*

Your telegram No. 150.[1]

Acting head of press department has informed me that the German Government are deeply hurt by the final decision to expel von Langen which to them is inexplicable. I spoke to him in the sense of your telegram No. 148[2] and in the course of conversation without any encouragement from me he repeated that the opinion of His Majesty's Government had been misled by Madame Tabouis[3] whose enmity towards von Langen was the best tribute he could receive. He also revealed that von Langen had been received by Signor Mussolini in a private audience, on his departure from Italy, of most friendly nature. The expulsion of Frau Zinzow whom he maintained was a harmless lady typist was also regarded as a specially unfriendly act towards National Socialist régime.

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[1] In this Foreign Office telegram of August 5 Sir R. Vansittart said that in spite of an urgent request from Herr von Ribbentrop for reconsideration of the von Langen case (see No. 85), the decision could not be altered.

[2] No. 85.

[3] A French journalist.

He then complained that the affair had leaked out into this morning's press, the *News Chronicle* and *Daily Telegraph.* The Government accordingly intended to publish a brief *communiqué* this evening.

He then read to me a telegram which had been sent to German Embassy, London, containing instructions to inform you that Mr. Ebbutt the *Times* correspondent was no longer persona grata and that the German Government in the interests of Anglo-German relations desired that the *Times* should make arrangements for his transfer from Germany within fourteen days after which the authorities would otherwise have to expel him. He maintained that this was not an act of reprisal but solely in the interest of Anglo-German relations. Mr. Ebbutt he said had been under observation for a long time, he had been in Berlin too long and his reports had consistently had an unfriendly twist.

In reply to my enquiry he said that he had the authority of Minister for Foreign Affairs to make this serious communication.

I have no doubt whatever that the German Government are irrevocably determined to seize this opportunity to expel Mr. Ebbutt. Moreover I am informed that correspondents of the *Daily Telegraph* and *News Chronicle* are also in danger.

British press correspondents by a pure coincidence are entertaining me to lunch on Monday next.[4] In case I am tackled by Mr. Ebbutt who does not yet know what is in store for him will you please inform the *Times* at least confidentially as above information was conveyed to me with the request that Mr. Ebbutt should not be told until the German Embassy had communicated with you or the *Times* had been informed.[5]

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[4] i.e. August 9.

[5] In a further telegram, No. 200 of August 9, Sir G. Ogilvie-Forbes wrote: 'I am informed that Herr Hitler is very angry especially as he is ignorant of the grounds of Langen's expulsion and had with difficulty to be dissuaded from sterner action. If the home press make a great affair of the Ebbutt case there will certainly be a violent counterblast here with allegations, comments and attacks regrettable in the interests of Anglo-German relations.'

No. 89

Record by Sir R. Vansittart of a conversation with Herr Woermann

[*C 5766/305/18*]

FOREIGN OFFICE, *August 9, 1937*

Herr Woermann, the Counsellor of the German Embassy, came to see me this morning and said he wished to refer again to the expulsion of German journalists from this country.[1] It had been held that their presence here was not conducive to good Anglo-German relations, and that was an observation that might be applied to British journalists in Berlin also. In particular, his Government held that the presence of Mr. Ebbutt was no longer desirable. His Government thought that Mr. Ebbutt paid far too much attention to what he called 'faits divers' and did not attach himself sufficiently to presenting the National-Socialist régime in its most favourable light to this country. The German Government did not wish to act in any extreme manner but would leave it to *The Times* to make a change spontaneously if they thought fit. At the same time they could not allow more than a fortnight for this change to take place, and if it had not been made then they would be compelled to ask Mr. Ebbutt to leave at once.

I said that I would ask Herr Woermann to note that, unlike their procedure in this matter, I was making no protest or representation. It was the perfect right of any Government not to retain in their territory any person to whose presence they had good cause to object. At the same time I must point out to him that it was bound to be assumed throughout Fleet Street (and this impression would doubtless be reflected in most of our newspapers) that the German Government were expelling Mr. Ebbutt merely as a reprisal. I said that in order to be quite clear in the matter I would like to know whether in making his communication to me he had only the Langen case in mind or whether he was referring to the termination of the permission to reside in this country which was being applied to the other journalists as well. He said he had principally the von Langen case in mind. I said that in that case I must point out to him that there were very good reasons, other than journalistic ones, for which the other people involved were being asked to leave. They were in fact involved in activities other than journalistic ones, and I thought that he had probably at least gathered this. As to von Langen, he had already been asked to leave another country (a statement which Herr Woermann did not dispute). Our action and their action were therefore not on all fours. We were not prolonging the permission to stay in this country of several gentlemen who were a good deal more than journalists. They, on their side, were stipulating that a perfectly reputable and well known English journalist should leave Germany, and there had never been any suggestion that Mr. Ebbutt had been involved in anything else but purely journalistic activities. In these circumstances it was easy to foresee what the effect on our press would be, for they would all draw that conclusion. This I personally greatly deplored, and I hoped that there would be no more reprisals in dealing with such matters. I thought that it would even not be in the interest of his Government to proceed on these lines, for I must point out to him that there were something like 80 German journalists in this country and only about a dozen British journalists in Germany. The disadvantage therefore would obviously lie with his Government if this kind of procedure were accentuated, and I earnestly hoped that this would not be the case. Indeed I hoped that the element of reprisal in this case would be emphasised as little as possible, but I had little hope that the British press would take any other view, and I therefore thought the decision of the German Government was an unfortunate one, although I asked him to note again that I was not protesting or making representations.

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[1] Cf. Nos. 85 and 88.

I asked Herr Woermann if he wished us to communicate with *The Times*, and he said that he did. I replied that I would do so. Herr Woermann then said that he would be closely questioned by the press today as to what was happening, and all that he proposed to say was that he had expressed the German point of view to the Foreign Office. I said that that was all very well, but from the moment when I communicated with *The Times* comment was almost certain to break loose in Fleet Street and in the sense that I had indicated. Herr Woermann replied that he recognised this but that the German Embassy would defer their comments until the effect of the expulsion of Mr. Ebbutt was seen.

I concluded by saying that I thought the whole incident was an unhappy one, seeing what good grounds we had for our action. We should of course do our best not to add fuel to the fire, and I had no doubt that in time the episode would pass, though it would certainly leave an undesirable aftermath. It was already, for instance, widely known or suspected that some at least of the people whose permits we were not renewing had been engaged in undesirable activities in this country, and the action of the German Government would probably lead to more comment in this direction. Herr Woermann replied that he was aware of this but it could not be helped.

Our interview throughout was perfectly friendly. Herr Woermann seemed distinctly uncomfortable throughout it and anxious to get to the end of it as quickly as possible, for he immediately began to talk of other subjects, such as the Far East, our conversations with Italy and a marooned German explorer in Turkestan, as quickly as he could.[2]

R.V.

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[2] This record was initialled by Lord Halifax on August 8.

No. 90

Record of a Meeting held in the Secretary of State's room at the Foreign Office at 4 p.m. on August 10, 1937, to deal with questions arising in connexion with the anticipated conversations with the Italian Government, as proposed in the Prime Minister's letter to Signor Mussolini of July 27[1]

[*R 5532/1/22*]

FOREIGN OFFICE, *August 10, 1937*

PRESENT: Lord Halifax, Sir Eric Drummond, Sir Robert Vansittart, Sir

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[1] No. 65.

Lancelot Oliphant,[2] Sir William Malkin,[3] Mr. Campbell,[4] Mr. Nichols, Mr. Fitzmaurice,[5] Mr. Makins[6]

A. THE QUESTION OF RECOGNITION OF ITALIAN SOVEREIGNTY OVER ABYSSINIA

1. *Recognition an essential element in the negotiations.*

Sir Eric Drummond explained that the recognition by His Majesty's Government of Italian sovereignty over Abyssinia was a *sine qua non* for the success of any Anglo-Italian negotiations. Italy required it for reasons of prestige and, from the administrative point of view, to assist her pacification of Abyssinia. So long as the idea prevailed that the Emperor might one day be restored, the Italians would have difficulty in maintaining peace and order. He further pointed out that the effect on the Italian mind of the recent exchange of letters, intimating on the British side willingness to enter into general discussions, had been to create a strong expectation that we were in fact willing to take early steps to liquidate the Abyssinian situation. Sir Eric Drummond proposed that His Majesty's Government should not wait until the Assembly met,[7] but should at once place the question of the position of Abyssinia in the League on the agenda of the Assembly.

It was recognised that the conversations in Rome would, as at present contemplated, begin before the opening of the Assembly and that Sir E. Drummond would need at the outset to give some general indication of the attitude of His Majesty's Government to the question of recognition. On the other hand a month's notice to the Secretary-General was necessary to put a question on the agenda, and action would require to be taken on or before August 16th. His Majesty's Government would therefore have to act with great expedition; before there could be consultation with other Governments; and before the intentions of the Emperor as to his representation at the Assembly were known. It was also to be expected that action on the line of recognition by His Majesty's Government would excite strong criticism in certain quarters in England, to which it was undesirable to give too long a run before the Assembly—and for all these reasons the course of putting the matter on the Assembly agenda was generally felt to be open to objection.

It was however pointed out that a reference to the situation in Ethiopia appeared in the Secretary-General's report on the work of the League in 1936/1937, and it was therefore open to His Majesty's Government to raise the question in the general debate of the Assembly. But it was important that a decision by His Majesty's Government to act should not be more closely connected than could be avoided with the Anglo-Italian conversations; and that accordingly the intentions of His Majesty's Government should be made clear before the conversations started. It was therefore suggested that His Majesty's Government might inform the Secretary-General that, in the absence of an Abyssinian delegation, the United Kingdom delegate intended to raise the question of the situation in Abyssinia in the general debate, and to propose that it should be discussed by the Assembly as a special item. This should be done before the Anglo-Italian conversations opened, which in the opinion of Sir E. Drummond might conveniently be on the 8th or 9th of September. The first conversations would be confined to Mediterranean questions. Sir E. Drummond said that this suggestion would meet his difficulty, and would probably satisfy the Italian Government.

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[2] Deputy Under Secretary of State for Foreign Affairs.

[3] Legal Adviser to the Foreign Office.

[4] Head of the Egyptian Department.

[5] Third Legal Adviser in the Foreign Office.

[6] Assistant Adviser on League of Nations Affairs.

[7] The 18th Ordinary Session of the League of Nations Assembly was due to open on September 13.

2. *The question of taking the initiative.*

It was considered most improbable that any other Government would raise the question at Geneva if His Majesty's Government did not do so. France would probably follow a lead, but was unlikely to agree to single-handed or joint action; and it would hardly be politic or possible to press a smaller country, such as Sweden, to give a lead. It was therefore felt that His Majesty's Government should take the initiative in this as in previous phases of the Abyssinian question. This action would help them to guide the discussions in the desired direction. It was recognised that a decision in this sense would be a reversal of the attitude adopted by His Majesty's Government in May.[8] The Secretary of State informed the Belgian Ministers on April 27th[9] that His Majesty's Government were not prepared to take the initiative, and at a meeting of the Heads of Delegations at the Imperial Conference Mr. Chamberlain, summing up the discussion, said that there was a general preference that the question should if possible be brought before the Assembly from some quarter other than the British Commonwealth. But this, as already stated, will in fact probably prove impracticable.

3. *Difficulties at Geneva.*

It was considered that the objective of action at Geneva should be the recognition by the Assembly of the fact that Abyssinia was no longer a fully self-governing State within the meaning of Article 1 of the Covenant, as contemplated by the Prime Minister. It might not be possible to secure this, but in any case the result of the discussions at Geneva should be that members of the League should be free to recognise Italian sovereignty over Abyssinia if they saw fit to do so.

(a) It was assumed that the Assembly would desire to re-affirm, in some carefully considered form, its previous decisions in the Italo-Abyssinian dispute and ought not to be asked to retract its condemnation of the Italian action. Sir E. Drummond did not consider that the effect of this action on Italy would be serious, if it was limited to a simple re-affirmation, and if it was not provocatively worded.

(b) It was doubtful how far some small States in the League would be prepared to agree to the obliteration of Abyssinia. It was further possible that the question would become mixed up with other questions e.g. Spain. There would be a large Spanish delegation, and the Soviet Government might well make trouble.

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[8] See Volume XVIII, No. 542.

[9] See *ibid.*, No. 444.

(c) The Assembly passed a resolution on March 11th 1932, in the course of the Sino-Japanese dispute, declaring that 'it was incumbent upon the members of the League not to recognise any situation, treaty or agreement which may be brought about by means contrary to the Covenant'.[10] At the same period a committee of the Council addressed an appeal to the Japanese Government referring to Article 10 of the Covenant, from which they inferred 'that no infringement of the territorial integrity and no change in the political independence of any member of the League brought about in disregard of this Article ought to be recognised as valid and effectual by the members of the League'.[11] The Secretary of State informed the House of Commons on December 16th, with reference to this latter statement, that 'His Majesty's Government adhered to the principle enunciated in it, which was made in connexion with the particular case of the Sino-Japanese dispute, but, in its application to any case, His Majesty's Government must be entitled to take account of the facts of the situation and of the necessity of dealing with the actual authorities on the spot. Any such action did not imply approval of the methods by which the situation was brought about'.[12] The Assembly resolution of March 11th, 1932, was of course also passed in connexion with the particular case of Manchuria, but it is in general terms; it embodies the American doctrine of non-recognition; and it is quite possible that a certain number of South American countries will be unwilling to go back upon it in the case of Abyssinia.

It is also relevant to recall that on June 23rd, 1936,—in the House of Commons—Mr. Baldwin said:[13] 'I come to some definite questions asked of me by the Leader of the Opposition. He said, do we intend to condone Italy's action? The answer to that is "No," and, in so far as it deserves recognition, I would emphasise that His Majesty's Government have no intention *at the forthcoming meeting*[14] of the League to propose, or assent to, the recognition of Italy's annexation of Abyssinia.'

(d) Attitude of other States. It is believed that a number of countries desire to see the Abyssinian question settled, among them France, Belgium, the Scandinavian countries and the Little Entente; but other countries may make difficulties, e.g. Mexico and New Zealand, while some States may seek to bargain their acceptance of any resolution submitted to the Assembly.

The provisional view was that if an Abyssinian delegation appeared, the question might be fairly easily and rapidly settled, but, that in their absence, the negotiations might be troublesome, and would possibly continue throughout the Assembly. An agreed resolution might be difficult to frame and would probably not be accepted without some abstentions.

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[10] See Volume X, No. 67.

[11] See Volume IX, No. 471.

[12] See 318 *H.C. Deb. 5 s.*, col. 2432, December 16, 1936.

[13] See 313 *H.C. Deb. 5 s.*, col. 1723.

[14] *Note in original:* Foreign Office underlining.

The further difficulty was raised that recognition of Italian sovereignty over Abyssinia might be followed by a demand from Japan for the recognition of Manchukuo. It was observed that the two cases were distinguishable. Manchukuo had not been conquered, and His Majesty's Government would be invited to recognise not Japanese sovereignty, but the sham sovereignty of a puppet State. Moreover China still asserted her sovereignty and might hope one day to re-establish her rights. In Abyssinia there had been a conquest, and there could be no question of a recovery of Abyssinian authority or of rival claimants. Further it seems doubtful whether the Japanese Government do in fact desire such recognition.

4. *Consultation with other States.*

In view of the representations made by the French Ambassador it was considered most desirable to keep the French informed step by step of our intentions. It would also be necessary to keep the Dominions informed.

5. *Presentation.*

In view of the sensitiveness of British public opinion on this question it was emphasised that, assuming His Majesty's Government decided to take the initiative, much depended on the method of presentation.

On the technical side Sir Eric Drummond suggested that *de jure* recognition could be unobtrusively effected by the presentation of new credentials: but it was clear that the arguments to be employed in justification of our attitude before the Assembly, and of the subsequent act of recognition must be carefully worked out. In the course of discussion the following arguments were suggested:

(a) Recognition was in the interest of the inhabitants of Abyssinia. So long as a hope remained that Italian rule might be avoided or resisted, many Abyssinians would not submit, and the Italian authorities might be driven to use repressive measures resulting in further bloodshed. His Majesty's Consul-General in Abyssinia has lately reported that *de jure* recognition would be in the best interests of the natives themselves, for the reason that so long as it is withheld the Italians are apprehensive that an attempt may be made to restore the Emperor, perhaps with outside intervention and will act with corresponding severity.

(b) His Majesty's Government and the members of the League must face realities. Collective action against aggression has been attempted and, for whatever reason, has, anyhow for the time being, failed in its effect. Nothing is to be gained by refusing to admit this fact. It is, indeed, a matter affecting the working of the Covenant, and the Assembly in appointing its committee on the application of the principles of the Covenant has recognised that this is a subject for enquiry. But this action, whatever its outcome, cannot assist the Assembly in facing the situation resulting from the failure of its previous efforts. That situation is briefly that Italy controls Abyssinia, and that there is no likelihood of this *de facto* position being altered.

(c) Acceptance of a *de facto* situation does not necessarily involve its recognition *de jure*, in the sense that actions which have been condemned as contrary to the Covenant can be justified *ex post facto*. There can be no rescission of previous resolutions. But politics is not an abstract science, and the League should not be the slave of abstract principles. Its primary object is the maintenance of peace and the furtherance of international co-operation. Its failure to maintain peace in a particular case does not justify it, through reluctance to accept a failure, in neglecting the opportunity of restoring international co-operation. Such co-operation can only be effective on a basis of reality. The Italian conquest of Abyssinia raises concrete problems both international and national, which have to be solved. There are questions of representation in Rome, of the conduct of everyday business with the Italian Government, of the relations between Abyssinia and neighbouring territories, of the geographical limits of the Italian conquest, and of national rights and interests in Abyssinia (e.g. Lake Tsana). And, of course, there are wider questions such as the relations of Italy with other States and with the League, Italian participation in plans for European reconstruction etc.

(d) It is not suggested that the League as such should recognise that Italy has acquired a rightful title to the possession of Abyssinia. To do so would be to condone a breach of the Covenant. But the Assembly might perhaps agree to recognise that Abyssinia has ceased to be a fully self-governing State within the meaning of Article 1 of the Covenant, and in these circumstances to leave its members free to take such action as they may think fit in regard to recognition of Italian sovereignty. In the Sino-Japanese dispute, the Assembly indeed declared that it was incumbent upon the members of the League not to recognise any situation, treaty or agreement which might be brought about by means contrary to the Covenant. But the question is whether the maintenance of this principle in the particular case of Abyssinia is more or less likely to lead to international peace and co-operation.

(e) A continuance of the present anomalous and unrealistic situation may cause Italy to believe that His Majesty's Government and other members of the League are actuated in this matter by motives of ill-will and that they are perhaps contemplating an eventual revenge for the future of League action in the Italo-Abyssinian dispute. To allow Italy to remain under this impression may well be fraught with danger to European peace: and there would certainly be a violent reaction in Italian feeling towards Great Britain and if no progress is now made towards recognition, relations would become extremely difficult, if not seriously strained.

6. *Circulation of a document to the Assembly on the situation in Abyssinia.*

It was suggested that His Majesty's Government might circulate to the members of the League a document containing such information as could properly be given on the situation in Abyssinia, and demonstrating that the Emperor no longer possessed any authority in that country. A document of this kind might add weight to the initiative by His Majesty's Government and could be circulated after a speech in the Assembly. Such a document had been in readiness for an earlier meeting at Geneva, but had for various reasons not been put forward.

B. SCOPE OF PROPOSED CONVERSATIONS

7. *The meeting then considered the conversations which it was proposed that Sir Eric Drummond should undertake in the early autumn in Rome.*

These conversations would fall naturally into two parts, the first dealing with Mediterranean questions proper, and the second with Abyssinia and British interests in that country. As regards Abyssinia, Sir Eric Drummond stated that Count Ciano had indicated that he considered that British rights and interests in Lake Tsana formed part of the Sudan boundary questions.

Examination was then given in detail to the matters which would fall to be considered under the heading of Mediterranean questions and to the best method of their presentation.

8. *The first point discussed was that of the exchange of information of a military character, i.e. of military, naval and air matters, suggested by Count Grandi in his interview with Mr. Hore-Belisha on July 22nd.*[15]

SIR ERIC DRUMMOND was disposed to believe that Count Grandi had made this suggestion on his own initiative rather than on instructions from Rome, but mention had also been made of it by Count Ciano. It was explained to the meeting that this question had been put to the Chiefs of Staff whose substitutes' report would very shortly be available.[16]

It was understood that this report was favourable to the suggestion that His Majesty's Government should exchange information with the Italian Government and that the scope and methods that might be employed were discussed in the report. It was agreed that probably the chief merit of such an exchange from the point of view of His Majesty's Government would be psychological in character. It was not thought probable that His Majesty's Government would learn much from the Italians they did not already know and that it was unlikely that the Italians would always speak the truth. It had been explained to the Chiefs of Staff that it was not improbable that this desire to exchange information might be found to constitute the first step in an attempt to attain a limitation agreement in the Mediterranean area; and that it was understood that the Chiefs of Staff would report that they would be opposed to any suggestion for such a limitation agreement.

SIR ERIC DRUMMOND, however, pointed out that such an agreement might not perhaps be wholly to the disadvantage of His Majesty's Government. He assumed that such an agreement would be based on the maintenance of parity of forces with an escalator clause allowing for reinforcement in case of emergency, due notice being given. The Italian forces in the Mediterranean area comprised practically all the Italian fleet and the greater part of their air force. To secure parity we might therefore claim not only the equivalent in naval forces of the Italian fleet, but also additional ships to compensate for Italian preponderance in the air arm. Sir Eric Drummond wondered whether such a maximum, accompanied by an escalator clause, would not in fact more than meet our requirements. It was agreed that this point might with advantage be further examined by the Chiefs of Staff. In the meantime it was by no means certain that the Italians did in fact mean to raise the limitation issue; if they did, Sir Eric Drummond could, during the course of the conversations, play for time by stating that he had received no instructions on this point, and that indeed, having in mind Signor Mussolini's speeches, he had hardly expected it to be raised.

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[15] See No. 58.

[16] See No. 91 below.

Lord Halifax was of the opinion that in any case the Chiefs of Staff should be asked what were their particular *desiderata* in the field of defence requirements, which Sir Eric might put forward in his conversations; but that in putting this question to the Chiefs of Staff they should be reminded that if, for example, it were to be suggested that the garrison in Libya should be restricted, His Majesty's Government might well lay themselves open to a similar demand from the Italian side, e.g. for a reduction in their fleet or some other suggestion which would not commend itself to His Majesty's Government. This should not however be regarded as an obstacle to an attempt at making an Italian return to normality in Libya part of the arrangement. The task would be to find the fitting formula.

9. *The Suez Canal.*

Mr. Campbell enquired whether the Italian Government might not in this or in some other connexion raise the question of the Suez Canal and ask for representation on the Board or make some other request which would involve some measure of control on the Italian part over the destinies of the Canal.

Sir Eric Drummond replied that it was true that the Italians might wish to obtain some further assurance that the Canal would remain open in all circumstances, but he did not think it likely that the Italians would themselves ask to participate in any measures which might be taken to keep the Canal open. His Majesty's Government considered the defence of the Canal in times of emergency a matter for themselves alone, and the Italians were unlikely to question the validity of this principle. The possibility that the Italians might make some demand in regard to the Suez Canal could not, however, be excluded.

10. *The question of Bari broadcasts, and propaganda generally, was then considered.*

Sir Eric Drummond's view was that if the conversations developed satisfactorily the Bari broadcasts, and indeed the whole propaganda question, would naturally fall into line. He did not anticipate any great difficulty in obtaining assurances that these activities would cease.

The meeting then turned to the question of Italian activities in Iraq, Palestine, the Yemen and the Red Sea area generally.

11. **Sir Lancelot Oliphant** pointed out that the Italian air mission in Iraq was a new development. As regards the Yemen and the Red Sea, it was desirable that His Majesty's Government should demand as a minimum a reaffirmation of the Clayton understanding of 1927,[17] under which both countries had subscribed to the thesis that no great Power should establish itself on the eastern shore of the Red Sea.

Sir Eric Drummond pointed out that for this part of the conversations it would be very useful to him if he could be furnished with evidence, which he could communicate to the Italians, of any undesirable Italian activities in these countries. Such evidence would strengthen his hand in the negotiations.

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[17] See No. 44, note 4.

12. *The position as regards Spain was then discussed.*

Sir Robert Vansittart remarked that the Secretary of State was, he knew, particularly anxious to make use of these conversations to ensure that the Italian volunteers were evacuated from Spain and that Italy left the Balearic Islands.

Sir Eric Drummond replied that it would be very difficult to get the Italian volunteers out of Spain unless (a) all the volunteers on the Government side were equally evacuated and (b) Italy was certain that General Franco would win. The possibility of getting the Italian volunteers out of Spain was therefore a remote one, but he agreed that every effort should be made to induce Italy to abandon Majorca and the Balearic Islands generally.

Sir Robert Vansittart replied that the object of His Majesty's Government might be while securing a reaffirmation of Italian pledges with regard to the general status quo in the Mediterranean, to obtain an explicit assurance that Italian volunteers would eventually be withdrawn from Spain, and at least to secure, in the meantime, their *actual* withdrawal from the Balearic Islands. It was pointed out that our latest advices from Majorca were to the effect that 'the Italians were fading out of the picture'.

13. Sir Eric Drummond said that questions connected with Abyssinia proper, viz. the Sudan frontier, the Kenya frontier and our interests and rights in Lake Tsana, would naturally fall to be discussed last and after we had granted *de jure* recognition. He would require the help of experts in Rome when these questions, which would of course take a considerable time to negotiate, were under consideration.

14. *The question of method, which had already been touched upon, was then examined further.*

Sir Eric Drummond stated that in his view it was desirable that we should not bargain with the Italians over *de jure* recognition, so far as Abyssinian questions which would come up for discussion were concerned. He would prefer to inform Signor Mussolini that we were prepared to grant *de jure* recognition, and to intimate at the same time that we would leave for later discussion the area to which this recognition would apply. He thought that by doing so we should obtain more generous treatment from Signor Mussolini when we came later to deal with these frontier questions.

Lord Halifax enquired whether the method Sir Eric advocated in regard to Abyssinian questions applied equally to the other subjects which would fall to be negotiated between the two Governments.

Sir Eric Drummond's view was that we should say to the Italians: 'We wish to clear up *all* outstanding questions between us, so that the slate shall be quite clean. It would be a mistake to deal with the recognition question apart, as there might still remain causes of friction.' We should then enumerate all the questions we had in mind and nothing would be signed till a satisfactory solution had been found for each. This did not of course apply to the boundary questions as these would necessarily imply long and highly technical negotiations.

Lord Halifax agreed that we could only grant *de jure* recognition as part of a general settlement.

15. *The question of the reinforcement of the Italian garrison in Libya was then considered.*

It was agreed that it would be much to the advantage of His Majesty's Government to obtain the reduction of this garrison to normal proportions. Indeed, Sir Robert Vansittart pointed out that in his view and in order to be in a position to show the British public that we had obtained some concrete and rapid advantages from these conversations—a point which he regarded as essential—it was most important that we should obtain (a) the withdrawal of the Italians from Majorca (see above) and (b) the reduction of the Libyan garrison. After some discussion it was agreed that what His Majesty's Government desired to obtain, if possible, was a voluntary declaration from the Italian Government that they did not intend to reinforce this garrison beyond the 1934, i.e. normal, level. This was to be preferred to a request or demand on our part that the Italians should reduce the garrison, since such a demand might well lead to a reciprocal request on their part (cf. para. 8 above).

16. *Non-recruitment of native armies.*

Lord Halifax then enquired whether it would be possible to obtain from the Italian Government in the course of these conversations any assurances regarding the non-recruitment of native armies, observance of mandatory principles, or other provisos of a similar character designed to show that the Italian conquest of Abyssinia would not involve a derogation from approved colonial methods.

Sir Eric Drummond was uncertain whether we could obtain such a guarantee regarding the recruitment of native armies, but thought it not impossible. It was the general recollection of the meeting that some declaration had been made by the Italian Government on this and similar matters, and the point has since been verified. It appears that Count Ciano in his capacity as Minister of Foreign Affairs, addressed a communication to the Assembly on June 29th, 1936, in which he affirmed *inter alia* that Italy viewed the work she had undertaken in Ethiopia as a sacred mission of civilisation, and proposed to carry it out according to the principles of the Covenant of the League of Nations and of other international deeds which set forth the duties and tasks of civilising powers. (The full text of the relevant paragraph in the Italian communication is attached as an annex to this record).[18] It is not clear, however, how far the Italian Government would now be ready to reaffirm these undertakings. As regards slavery, Sir Eric pointed out that guarantees already existed but that there was no hope of obtaining the acceptance of the open door principle in Abyssinia.

17. *London Naval Treaty.*

Sir Eric Drummond then reminded the meeting that he had received instructions to press the Italian Government at his discretion to ratify the London Naval Treaty.[19] He would prefer to wait until it was seen how the conversations in the autumn were progressing before pressing the Italian Government on this point. He considered it better tactics to include the question of ratification in any general arrangement reached and so bring it into the ledger on the credit side. This was agreed to.

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[18] Not printed: see Volume XVI, No. 390, note 2.

It was also agreed that the question of the dimensions of an Italian cruiser, which considerably contravened treaty provisions, should not be raised until the question of the ratification of the London Naval Treaty was more or less decided. Here again, Sir Eric pointed out, that it was a question of choosing the right moment.

18. **Lord Halifax** enquired how long, in Sir Eric Drummond's opinion, the conversations were likely to last.

Sir Eric thought that the discussions on Mediterranean questions would not occupy more than three or four days, whereas the Abyssinian questions would of course involve considerable negotiation.

19. *The Provisional Conclusions* were therefore:

As regards recognition:

1. His Majesty's Government would have to be ready on this occasion to take the initiative at Geneva, and should inform the Secretary-General of the League of Nations, before the opening of the Anglo-Italian conversations, that they intended, if no Abyssinian delegation attended, to raise the question of the situation in Abyssinia in the general debate of the Assembly.

2. If an Abyssinian delegation attends, His Majesty's Government should press for a strong credentials committee on which they and other leading members of the League would be represented.

3. His Majesty's Government should keep the French Government and, if desirable, other Governments fully informed of their intentions, as well as the Governments of the Dominions.

4. The arguments to be used in support of His Majesty's Government's initiative should be further considered on the lines suggested in paragraph 5 above.

As regards the proposed conversations themselves:

5. His Majesty's Government should not bargain with the Italian Government over *de jure* recognition so far as the area to which that recognition should apply was concerned. His Majesty's Government should, however, take the opportunity, when they informed the Italian Government that they did propose to raise the Abyssinian question at Geneva, to intimate to them that they wished to clear up *all* questions outstanding between the two Governments.

6. Discussions on Mediterranean questions should precede those dealing with Abyssinia.

7. Further enquiries should be addressed to the Chiefs of Staff regarding their *desiderata* for these conversations bearing in mind the possibility that the Italians might, in reply to any request on the part of His Majesty's

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[19] Cf. Volume XVII, No. 527.

Government, put forward a reciprocal demand and thus possibly raise the issue of an arms limitation agreement.

8. The subjects to be discussed should be, as regards the Mediterranean:

(a) The exchange of military information;

(b) The Bari broadcasts and anti-British propaganda generally in the press and elsewhere;

(c) Italian activities in the Near East, with particular reference to the Yemen and the Red Sea area;

(d) Spain; the reaffirmation of Italian pledges about the status quo, and in particular the evacuation of Italian volunteers from Spanish territory;

(e) The Libyan garrison;

(f) The possibility of obtaining some assurance from the Italian Government that there should be no derogation from approved methods of colonial administration in Abyssinia, on the lines of the communication of the Italian Minister of Foreign Affairs appended to this record.[18]

9. Two of the main objectives of His Majesty's Government in these conversations should be:

(a) While securing the reaffirmation of previous pledges, to obtain an assurance that all Italian volunteers will be withdrawn from Spain so soon as volunteers on the Government side are withdrawn and meanwhile to secure in fact the evacuation of all Italians from the Balearic Islands.

(b) to obtain an assurance that the Libyan garrison shall not exceed the 1934, i.e. normal, strength.[20]

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[20] Commenting on Mr. Eden's reaction to the above document in the course of a private letter of August 15 to Mr. Chamberlain preserved in the Chamberlain Papers, Lord Halifax wrote: '. . . Meanwhile, entre nous, Anthony is rather unhappy about the policy disclosed in that office discussion note we sent you: and seemed inclined when he wrote to me on it to contemplate "marking time". I saw him today and have done my best to explain to him why that seemed impossible & I am going down to spend the evening with him at Southampton tomorrow. I fancy what he jibs at is i) our taking the initiative at Geneva & ii) the idea of "de jure"—which seems to connote some sort of approval. As to this, I should have supposed he could manage, as you have said, with getting to the point that Abyssinia no longer exists.

In addition, he is I think sceptical about getting anything out of the Italians. He dislikes & mistrusts their general make-up—and Spain, with all the rather sinister shipping possibilities that these last days have disclosed, comes in to strengthen his instinctive recoil!

But I will let you know how I get on after I have had a proper talk with him. . .'

No. 91

Report[1] *by the Chiefs of Staff Sub-Committee of the C.I.D. on Anglo-Italian relations*

[*R 5523/1/22*]

Secret 2, WHITEHALL GARDENS, S.W.1, *August 12, 1937*

In accordance with a request contained in the letter from the Foreign

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[1] Circulated as paper No. 1347B.

Office, which is attached as an Annex to this Report, we have had under consideration the following questions:

(*a*) What would be the advantages and disadvantages, from the point of view of British defence requirements as a whole, of the tentative proposal put forward by Count Ciano in his interview with Sir Eric Drummond on the 2nd August, that there might be an 'exchange of information about naval, military and air arrangements in the Mediterranean'?[2]

(*b*) Are the Chiefs of Staff still of the opinion that any attempt on the part of Italy to induce His Majesty's Government to agree with her, in advance of a general international convention, to any form of naval, military or air limitation in the Mediterranean should be rigorously opposed?

2. Before dealing with these questions in detail, we desire to make certain general observations.

3. In the recent past we have frequently referred to the desirability, from the military point of view, of the restoration of our former friendly relations with Italy. In July, 1936, for example, we reported as follows:[3]

> 'From the strategical point of view the first desideratum is a secure Mediterranean. This involves, as the primary consideration, the restoration of our former friendly relations with Italy.'

4. Again, the Review of Imperial Defence[4] which we prepared in February 1937, for use at the Imperial Conference, included the following passages:

> 'Better relations with Italy should be our constant aim.'

and later in the Review:

> 'Thus our sea communications through the Mediterranean can only be made really secure either by maintaining friendship with Italy, or by establishing ourselves in such military strength in the Mediterranean as would permanently deter Italy from embarking on war against us.'

5. We have been reinforced in the convictions expressed in the above quotations by the detailed examinations which we have recently conducted into plans for possible wars. The result of these examinations has been to make it abundantly clear that the embarrassments and dangers to which we should be exposed, in the event of war with either Germany or Japan, would be multiplied by the possibility of a hostile Italy.

6. There is, moreover, the time factor to be taken into account. We shall not complete our deficiency programme for another two years.

7. In view of the foregoing, we have no hesitation in propounding the general proposition that anything which can be done, at the present time, without overriding disadvantage in other directions, to dispel the clouds of

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[2] See No. 82.
[3] See Volume XVII, No. 35.
[4] Volume XVIII, Appendix I.

mutual suspicion which at present darken Anglo-Italian relations, would be of the greatest advantage from the military point of view.

8. The first question put to us is specifically limited to the possibility of an 'exchange of information about naval, military and air arrangements in the Mediterranean.' We observe, however, that the record[5] of the conversation between the Secretary of State for War and the Italian Ambassador includes the following passage:

> '(3) There was no other Power in the Mediterranean but Italy against whom our fortifications could be directed. Correspondingly, there was no other Power in the Mediterranean but Britain of whom Italy could entertain fear.
>
> (4) The considerations in (3) could result in an intensification of preparations. Alternatively, they could be used as a basis of agreement. Such agreement must have a military character, and that was why he addressed himself to me. It should take the form of an understanding to disclose to one another the nature of our defences; in other words, it would be the sanction for confidential relations between our respective military staffs.'

9. We are not altogether clear as to the precise significance of the above references to 'an agreement' of 'a military character,' and to 'confidential relations between our respective staffs.' If the intention underlying these phrases is that we should undertake any military commitment to Italy, or that we should have any agreement with her for a regional limitation of armaments, or that there should be 'staff conversations,' in the generally accepted sense of the term, between the respective staffs, we would strongly deprecate the idea. From the military point of view, we emphatically recommend that the forthcoming talks should be strictly limited to the question of an exchange of current military information, supplemented by such explanations as may lead to a clarification of the situation.

10. Nor are we clear as to whether there is to be a single exchange of information, or whether it is intended that there should be an agreement between the Italian and His Majesty's Governments to keep each other continuously informed of any variations that may be made in their military dispositions. In the latter event, which we deprecate, it should be emphasised that there could be no question of either party being required to obtain the permission of the other party before making any such variation. It is, for example, unthinkable that we should be required to ask Italian permission before sending reinforcements, say, to Palestine.

11. There is a further point in connection with the scope of the proposal that appears to require elucidation. We observe that Count Ciano, in his interview of the 2nd August with Sir Eric Drummond, and Signor Grandi, in his interview of the 22nd July with the Secretary of State for War, both

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[5] See No. 58.

specified the Mediterranean as the area to which the proposed exchange of information should relate. We consider that it should be extended to include East Africa and the Red Sea.

12. With these preliminary observations, we now turn to a detailed examination of the first question on which we have been asked for advice, namely, the advantages and disadvantages, from the Military point of view, of an agreement between Italy and ourselves to exchange military information.

13. As to the advantages, it will probably be generally agreed that the causes of the present friction between Italy and this country are mainly psychological. If, therefore, the Italian proposal for an exchange of military information is met with a blank refusal, the situation will be worsened instead of improved. If, on the other hand, the Italian proposal is accepted, the psychological effect of an agreement to exchange confidences cannot but be beneficial to the relations between the two countries.

14. Secondly, the conversations leading up to this agreement will provide the spokesman of the British Government with an opportunity of giving frank explanations which should go far to dispel Italian misunderstandings and misinterpretations of our motives and policy. We refer again to this question of explanations in paragraphs 20–22.

15. Thirdly, from the practical point of view, we might, on the whole, be the gainer over any honest exchange of military information. For one reason we publish a good deal more military information than the Italians, and, for another, the cosmopolitan populations of Egypt and Malta make it particularly difficult for us to ensure secrecy in military matters in that part of the world.

16. As regards the disadvantages of an agreement to exchange military information, there is a risk that the other Mediterranean Powers, who are at present well-disposed towards us, e.g., France, Turkey and Yugo-Slavia, may resent our action as implying an acknowledgement that Italy has a specially privileged position in the Mediterranean, and that we are trying to make new friends at the expense of old ones. It is also possible that an agreement, unless framed with special care, might be interpreted as an attempt to divide the Rome–Berlin axis.

17. Secondly, there is more than a possibility that the information supplied to us by the Italians may not be as strictly accurate as that which we should certainly supply to them, if we had put our signature to an agreement.

18. Thirdly, a disclosure of our military dispositions in the areas in question would reveal the nakedness of the land so far as military and air forces are concerned, and might therefore provide Signor Mussolini with an inducement to embark on a trial of strength before we had had time to put our house in order. On the other hand, a knowledge of our weakness might allay the suspicion, which he undoubtedly entertains, that we are bent on aggression against him, and might therefore result in a cessation of his counter-preparations. We have reason to believe, however, that the Italian General Staff at least are well acquainted with our military dispositions,

though possibly all the information available is not conveyed to Signor Mussolini.

19. Having weighed the advantages and disadvantages summarised in paragraphs 13 to 18 above, we have come to the conclusion that, on balance, the conclusion of an agreement with the Italian Government to exchange current information about naval, military and air arrangements in the Mediterranean and Red Sea areas would be to our advantage from a military point of view.

20. At the same time an agreement of this character would of itself have little value, unless it were supplemented by a frank explanation of the reasons that govern our defensive policy in that part of the world. We will now proceed to suggest the general form that these explanations should take.

21. In the first place it should be explained to Signor Mussolini that it is only in respect of heavy ships that we at present enjoy superiority over the Italians in the Mediterranean, and that the strength of the naval forces that we maintain in those waters is determined partly by the fact that the Mediterranean is the strategic centre of our Empire, and bears no relation to the naval forces maintained by Italy or any other Mediterranean Power, and partly owing to the Mediterranean being particularly suitable from the point of view of training for naval forces. In this connection it might be pertinent to recall that in the early days of this century, when our relations with all the Mediterranean Powers were uniformly excellent, we maintained a considerably larger Fleet in the Mediterranean than we do at the present time. It is true that, shortly before the Great War, a proportion of the Mediterranean Fleet was withdrawn to strengthen the Home Fleet, in view of the German menace; but, as soon as the Great War was ended, the strengths of the Home and Mediterranean Fleets were readjusted to their normal basis. Such a readjustment, made at that particular time, could not possibly have been considered as being directed against Italy or any other Power.

22. Secondly, it should be explained that we are are present in the throes of a rearmament programme, which has been forced upon us by the growing armaments of all other Great Powers, and that, in pursuance of this programme, we are engaged in building up all our forces all over the world to the minimum strength that is compatible with the responsibilities which they may be required to discharge. Signor Mussolini should be given fair warning that this programme involves certain additions (or, in the case of Egypt, adjustments) to our forces in the Mediterranean and Middle East, such for example as anti-aircraft and seaward defences at Malta, anti-aircraft defences in Egypt (which are at present non-existent) and some increases in our air forces in Malta and the Middle East. It could be emphasised with perfect truth that these minimum defence precautions are not specifically directed against Italy or any other Power.

23. To sum up, in our opinion the exchange of information should take the form of a frank statement as to our present dispositions, and the reasons for them. While it would be open to either party to suggest in the future a further exchange of current information, should it at any time appear desirable, we

are averse from any agreement for the continuous exchange of information, if only for the reason that no one can foresee what the situation may be in six months' time.

24. Turning now to the second question on which we have been asked for advice (see paragraph (1)(*b*) above), we would point out that we have commitments in the Mediterranean and Red Sea, such as the Egyptian Alliance, the Mandate for Palestine, and the Aden Protectorate, for which we have to maintain forces which bear no relation to Italian strength or to our policy vis-à-vis Italy; and that we must be free to reinforce those forces should the necessity arise. Moreover, Italy can reinforce her forces in North Africa in a few days from the Home country, which we are not in a position to do. Furthermore, as mentioned in paragraph 21 above, for strategic and training reasons, we must be free to adjust the strength of our naval forces in the Mediterranean at will. Accordingly, we consider that we should avoid being drawn into any attempt on the part of Italy to induce His Majesty's Government to agree with her in advance of any general international convention to any form of naval, military or air limitation in the Mediterranean.

SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

25. We summarise our Conclusions and Recommendations as follows:

(*a*) As a general proposition, anything which can be done at the present time to improve Anglo-Italian relations would be of the greatest advantage from the military point of view (paragraphs 3–7).

(*b*) Our opinions as to the advantages to be derived from an agreement to exchange information with the Italian Government about naval, military and air arrangements in the Mediterranean are given in paragraphs 13 to 15. The disadvantages, as we see them, are given in paragraphs 16–18. On balance we recommend acceptance of the proposal (paragraph 19) subject to the following observations:

- (i) There can be no question of our undertaking any fresh military commitment, or of 'staff conversations' in the generally accepted sense of the term (paragraph 9).
- (ii) Any agreement should be limited to an exchange of current information. While it would be open to either party to suggest in the future a further exchange of current information should it at any time appear desirable, yet we are averse from any specific agreement in this respect (paragraphs 10 and 23).
- (iii) The area to which the arrangement should apply should be the Mediterranean and Red Sea basins and East Africa (paragraph 11).
- (iv) The agreement should be in such a form as not to prejudice our relations with Germany or any Mediterranean Power other than Italy (paragraph 16).

(*c*) An exchange of military information would of itself be of little value in allaying Italian suspicion, unless it is accompanied by a frank explanation of the whole circumstances (paragraph 20). Important points that should be made in any such explanation are suggested in paragraphs 21–22.

(*d*) We consider that we should avoid being drawn into any attempt on the part of Italy to induce His Majesty's Government to agree with her, in advance of a general international convention, to any form of naval, military or air limitation in the Mediterranean (paragraph 24).

E. L. Ellington[6]
R. H. Haining
(for C.I.G.S.)
J. H. D. Cunningham[7]
(for C.N.S.)

Annex to No. 91

Letter from the Foreign Office to the Deputy Secretary, Committee of Imperial Defence

FOREIGN OFFICE, *August 5, 1937*

Lord Halifax has asked that the following documents dealing with the latest developments in Anglo-Italian relations shall be sent to you at once:

(*a*) The record of a conversation by the Secretary of State for War of an interview with the Italian Ambassador which took place on the 22nd July.

(*b*) A record by the Prime Minister of a conversation which took place with the Italian Ambassador on the 27th July, with annexe.[8]

(*c*) A record by the Prime Minister of a further conversation which took place with Count Grandi on the 2nd August, with annexe.[9]

(*d*) The text of a telegram (No. 428 of the 3rd August) from His Majesty's Ambassador in Rome.[10]

2. It will be seen that in his conversation with Mr. Hore-Belisha Count Grandi suggested that Signor Mussolini had in mind an agreement between the two countries of a military character. This agreement was to take the form of 'an understanding to disclose to one another the nature of our defences; in other words, it would be the sanction for confidential relations between our respective military staffs.' In his interview with Sir Eric Drummond on the 2nd August Count Ciano, enumerating the points to be agreed upon in the proposed conversations, referred to the possibility of an 'exchange of information about naval, military and air arrangements in the Mediterranean.' This reference by Count Ciano seems to confirm Lord Halifax in his

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[6] Chief of the Air Staff.

[7] Assistant Chief of the Naval Staff.

[8] See Nos. 64 and 65.

[9] See Nos. 80 and 81.

[10] i.e. No. 82.

view that, when Count Grandi spoke of an agreement of a military character in his interview with Mr. Hore-Belisha on the 22nd July, he was using the word 'military' in its widest sense to cover information regarding army, naval and air matters; and he would be grateful if the Chiefs of Staff would give the Italian proposal the most urgent consideration in order that he may be furnished with a joint expression of their views on its advantages and disadvantages as seen from the point of view of British defence requirements as a whole. He would be grateful if you would take the appropriate steps to this end as soon as possible.

3. The Chiefs of Staff will recollect that at the time of the negotiations preceding the signature of the joint Anglo-Italian Declaration of the 2nd January[11] last it was decided to resist any attempt on the part of the Italian Government to demand an agreement designed to ensure military, naval and air limitation in the Mediterranean area. Lord Halifax anticipates that the agreement now proposed, namely, to exchange information of a military character, will not improbably be found to constitute the first step in an attempt to attain a limitation agreement in the Mediterranean area; and in his opinion this aspect of things must be kept in mind when determining what reply is to be made to the Italian proposal for an exchange of information.

4. Lord Halifax would be glad to learn whether the Chiefs of Staff are still of the same opinion as they were last autumn, namely, that any attempt on the part of Italy to induce His Majesty's Government to agree with her in advance of a general international convention to any form of naval, military or air limitation in the Mediterranean should be rigorously opposed.

5. Copies of this letter and its enclosures have been sent to the Colonial Office, India Office and Dominions Office.

OWEN O'MALLEY[12]

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[11] See Volume XVII, No. 530.

[12] Head of the Southern Department of the Foreign Office.

No. 92

Record[1] by Sir R. Vansittart of a conversation with Professor Conwell-Evans[2]

[C 6083/270/18]

Most Confidential FOREIGN OFFICE, *August 16, 1937*

Professor Conwell-Evans came to see me today. He is one of the leading influences on the Anglo-German Fellowship, and I keep in fairly close touch with him on that account; but he is in reality a great deal more. He is Ribbentrop's principal guide and adviser in this country and they are in very close relations.

Professor Conwell-Evans came to tell me in confidence of a recent interview that he had had with Herr von Ribbentrop on the eve of the departure of the

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[1] Copies of the record were addressed to the Prime Minister, Lord Halifax, and Mr. Eden.

[2] Secretary of the Anglo-German Fellowship.

Ambassador on leave to Germany. This interview had evidently somewhat shaken the Professor. He had said to Herr von Ribbentrop that he thought it a great pity that the opportunity of Herr von Neurath's visit had been missed and that he hoped this would not continue to be the case. Herr von Ribbentrop had replied by asking him what advantage he saw in such a visit. Professor Conwell-Evans had replied that it would at least offer an opportunity of getting down from the general to the concrete, and it was now desirable that this should be done. Herr von Ribbentrop had replied by asking Professor Conwell-Evans what advantage he saw in getting down to the concrete, and had added rather petulantly that the Professor was always urging him to do so, whereas he, the Ambassador, saw no particular advantage in this. The Professor added rather sorrowfully that the Ambassador habitually took him up rather short when he attempted to go too much into detail. In explanation of what he had said the Ambassador, who of course was perfectly friendly and open throughout the interview, had added that he saw no advantage in presenting a programme to His Majesty's Government which His Majesty's Government were almost certain to turn down. Professor Conwell-Evans had replied that it was surely a wrong attitude to assume that His Majesty's Government would turn down a German programme, anyhow in toto. This was unlikely to be the case if the programme was a reasonable one. The Ambassador had departed on his leave saying that he would think over what Professor Conwell-Evans had said, but he was obviously still indisposed to formulate German desiderata.

This interview is interesting because it affords further confirmation of information that we had received from various confidential sources to the effect that the ruling influences in Germany, headed by Herr Hitler himself, are unwilling to show their hand at present, being animated to some extent by the presumption that this country would not find it of a sufficiently reasonable character to be acceptable.

The Professor begged me to regard all this as being entirely between ourselves, and I assured him that I would respect his confidence. He described to me in greater detail, which I need not record here, his own share in the conversation, which seems to have been both sound and persuasive. I told him that I thought he had spoken very wisely and I said that what this country really desired was a willing guest with a reasonable programme, and that unless these prerequisites were fulfilled a visit could hardly lead to the results which we hoped. A very cordial and friendly invitation had been extended to the German Government, and though it had not been accepted the Prime Minister had in a subsequent speech let it be seen that the invitation was still open.[3] If the German Government were to avail themselves of this open door it would really be necessary that they should clear their own minds as to what their real grievances and desiderata were, and that in both these respects they should be in conformity with practical politics. In that process I did not think that anybody else could help them; indeed it would be an impossible task for any intermediary to tabulate their desiderata for them. (I mentioned this because Herr von Ribbentrop had half suggested to Professor Conwell-Evans—so the Professor gave me to understand—that the Professor should take a hand in thinking for him.)

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[3] In a speech at the Albert Hall on July 8 Mr. Chamberlain expressed regret at the cancellation of Baron von Neurath's visit and said that he hoped that some other occasion for discussion would present itself: see *The Times*, July 9, 1937, p. 18. He also referred to the visit in answer to a question in the House of Commons on July 19, stating that he would 'welcome an opportunity for discussion of problems of common interest at a suitable time' with Baron von Neurath. See 326 *H.C. Deb. 5 s.*, col. 1783.

Professor Conwell-Evans added with some discouragement that he felt that the Germans were at present unwilling or unable to formulate either for themselves or for others the precise nature of their aims. And this again bears out similar information which we have received from other sources.

Professor Conwell-Evans left me saying that he was going to stay with Herr von Ribbentrop during his holidays in Germany, and he begged me again to regard all this as in the nature of a personal confidence.[4]

R. V

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[4] A minute by Mr. Eden read: 'Perhaps this is just as well. We want no sudden German initiative just now. A.E. Aug. 19.' It was decided in view of the last sentence not to send a copy to Sir N. Henderson.

No. 93

Mr. Ingram (Rome) to Foreign Office (Received August 18)

No. 712E [*R 5617/64/22*]

ROME, *August 16, 1937*

Sir,

Until the publication of statistics was resumed by the Italian Government in February of the present year, it was difficult even to venture a speculation regarding the Italian balance of payments for 1936; and even now the facts and figures available would render any estimate largely guesswork. Our knowledge of the details and extent of the Italian economic decline during 1936 must consequently remain severely limited. All we know is that such a decline, involving a further drain on the national reserves, must certainly have taken place. For it stands to reason that a country such as Italy, whose economic situation had been notoriously deteriorating over a period of years, engaged as she was on a colonial conquest and at the same time exposed to a widespread boycott of her exports, could not have maintained her currency, her imports, nor indeed the very confidence on which the whole Fascist system rests except by making heavy inroads on all available reserves and (internally) by mortgaging the future.

2. It is, of course, quite true that the reserves lasted longer than many experts believed possible. Either they were greater in extent than was generally supposed, or the demands on them were less: possibly the first

alternative is the more likely. It is also true that half way through 1936 sanctions were abandoned, and that with the virtual conquest of Abyssinia the more expensive phase of the operations came to an end. The Italian Government then turned their attention to concluding new trade agreements with the main sanctionist powers, and had succeeded in re-establishing provisional trading relations with the majority of countries by the end of the year. It was not however until late in 1936 that the re-establishment of trade could have had any favourable effect on the balance of payments; and there is consequently a *prima facie* case for believing that the drain on the reserves—though to a diminishing extent—continued at any rate until the beginning of the present year. From the Italian point of view everything accordingly turned on the efficacy of the various means taken during the second half of 1936 to rectify the trade position and consequently to place the Italian economy on a sound and even on a profitable footing. These measures included a devaluation of the currency, the encouragement of self-sufficiency, and fresh endeavours to 'balance' trade with the principal customers and suppliers of Italy.

3. The complete trade figures for the first half of 1937 are now available, and there is thus a possibility of throwing some light on this interesting and important point. I accordingly attach an able memorandum[1] by Mr. Lomax, the Commercial Secretary, who has endeavoured, in the light of the available facts, to arrive at some estimate of the Italian balance of payments for the present year. Mr. Lomax's conclusions are necessarily gloomy; and indeed it is impossible on the evidence produced, not to agree that the drain on the Italian reserves is likely to persist during 1937. It is of course impossible to say how long this process can continue. I have heard it said, for instance, that Germany has existed for some years with little or no reserves; but it has always seemed to me that Germany, which as often as not has an active trade balance, is for this reason alone less vulnerable economically than Italy. Moreover, unless I am mistaken, there are a number of other factors (such as a better industrial organisation and equipment, higher technique, greater discipline etc.) which enable the Nazis to indulge in experiments which are frankly at the present moment impracticable for the Fascists. It is possible, however, to exaggerate the manifestations of exchange shortage which occurred towards the end of July. These are undoubtedly symptomatic; but so far as petrol is concerned, for instance, there were a number of exceptional circumstances such as holiday traffic and the approach of the manoeuvres in which the air and sea arms as well as the land arm are to take part, more aircraft to be used and longer flights to be undertaken than ever before. Moreover, the enquiries which the Embassy instituted at the time regarding cotton shipments tend to show that in general payments have not been delayed. The situation in other words, is increasingly difficult but Italy has been assisted to a greater extent than we perhaps realise by the recent upward trend in international trade with its favourable effect on 'invisibles' of all descriptions.

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[1] Not printed.

4. While, therefore, there is no reason to suppose that the existing course of events will lead to some spectactular collapse of the Italian economy, involving a fresh large depreciation of the lira, sky-rocketing prices, heavy unemployment, and acute distress, I do contemplate (in default of an unexpected trade revival and of outside assistance) the continuance of the present slow decline and a progressive difficulty in obtaining the raw materials essential for industry and, it should be added, for armaments. A steady increase in prices seems also to be inevitable, and this will be calculated to affect precisely those classes from which the Fascist Régime has traditionally drawn the bulk of its active support. In my opinion, therefore, the real questions are, how far Signor Mussolini is conscious of the dangers inherent in the present situation, and to what extent economic considerations may have played a part in his political change of front towards relations with Great Britain.

5. With regard to the first point, it is notorious that Signor Mussolini has always despised and rejected any arguments based on 'classic' economic doctrines. To a certain extent, in my humble opinion, events have proved him right. The Duce has in fact grasped the truth that, given sufficient confidence, it is possible to carry out immense schemes of public works without inflationary consequences, at any rate over a short run. He has even shown in defiance of the prophets, that the conduct of a large colonial war does not immediately have any very disastrous consequences. But, as I see Sir Frederick Leith-Ross said in his address to the International Chamber of Commerce in Berlin,[2] 'there is a nemesis' which awaits such policies as these. In the first place they tend towards a degree of socialisation or rather 'levelling down' which creates great friction if pushed too far and too fast. This is certainly not something to which the Duce would have any grave objection. On the contrary, there is every reason to suppose that such a levelling process would be in accordance with his dearest wish. But there is (it seems to me) another and a very different 'nemesis', As exchange control merges into a 'balanced trade policy' and a 'balanced trade policy' into 'autarky', so difficulties in obtaining raw materials become more acute. It is this process which must unfavourably affect, not only the standard of living, but also the strength of the nation concerned as measured in terms of readiness to engage in and subsequently to pursue war. This clearly is an argument which would make an immediate appeal to Signor Mussolini, and it may well be, as Mr. Lomax suggests, that he has become acutely aware of its validity during recent months and realises that Italian economy cannot compete with the pace and standard set by British re-armament.

6. Assuming that in fact this had happened, what would a man of Signor Mussolini's temperament be likely to do? I may be wrong, but I should have thought that his first instinct would be to burst the invisible cord which (as he would no doubt put it to himself) was throttling his country and that he would not hesitate to tackle the task at the strongest part of the cord, i.e. Great Britain. Conceivably he may have contemplated the adoption of some policy

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[2] Cf. Volume XVIII, No. 671, note 4.

which, if it did not lead to war with Great Britain, might force on her some grave diplomatic defeat, and thus might so reinforce Italian prestige as to enable Italy to improve her credit and consequently her economic strength. But if any such policy was to be effective the active support of Berlin was clearly desirable, if not essential. I see from your despatch No. 801 of August 5th (C 5609/5609/18)[1] that there is some reason to believe that at this point Signor Mussolini did in fact turn to Berlin; and it may well be that the latter's reply was unsatisfactory. Certainly this story seems to be believed by my French colleague, who repeated it to me with much circumstantial detail. On the other hand, the Czechoslovak Minister declares that Count Ciano had categorically denied it to another colleague. If it is true it might offer some explanation of the sudden turn about of Italian policy. But true or not, it seems clear that in the circumstances, almost the only sound course for Italy would be to adopt a friendly attitude towards Britain in the hope of securing (i) recognition of the East African conquests (ii) some regional arms agreement in the Mediterranean and (iii) eventual economic assistance. Economic considerations play their part in (i) and (ii) as well as in (iii); but that the last objective is by no means the least emerges, I think, fairly clearly from Mr. Lomax's memorandum.

7. The aim of this despatch is not however to analyse the political motives which may have induced Signor Mussolini to turn at this juncture towards a re-establishment of Anglo-Italian amity, but to stress the fact that underlying all these motives and affecting them all in a greater or less degree must be his preoccupation with Italy's economic situation. The only countries with which Italy stands in any especially close relations are not much better off than she is and in no condition to offer her economic relief on a scale that really matters. Help, if it is to avail at all, must come either from Great Britain or the United States of America. The latter are aloof from Europe; the former cannot dissociate itself from Europe, least of all where a strong Mediterranean power is concerned. Moreover, may it not be argued that, *pace* the Johnson Act, the way to Wall Street lies through the City of London? Furthermore, may not Italy be casting eyes of longing on the arrangements between London, Paris and New York for equalising exchanges? I am even tempted to say, that without a political *détente* with Great Britain, Italy will find it very difficult to make any progress in economic recovery either at home or in the Italian colonies. His objective remains, I am convinced, the same now as in the recent past, namely to increase the power and prestige of Italy in relation to that of other countries, notably to that of Great Britain. The mere fact of a real *détente* between Italy and Great Britain is for him a big step towards this end. I have endeavoured in this despatch to indicate that if he achieves such a *détente*, his victory will be as much an economic as a political one, even though economics may not figure in the forthcoming conversations. It follows therefore that in the economic sphere we have a powerful lever, difficult though it may be at the moment to prescribe exactly how it should be used. If too, there be any truth in the above analysis, it may well be that for Italy such a *détente* will spell economic and political advantages out of all proportion to

the gains which we hope to secure.[3] This is an aspect of the forthcoming negotiations which I am sure will not have escaped the notice of His Majesty's Government; but I feel that it is desirable that I should emphasise its importance at the present time.

I have, etc.,
E. M. B. INGRAM

P.S. I am sending a copy of this despatch to the Department of Overseas Trade.

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[3] The preceding sentence was underlined on the filed copy by Sir R. Vansittart, who addressed the following minute to Mr. Eden on August 24: 'Please see the passage which I have marked . . . This is perfectly true in a sense, and we shd. never lose sight of it. But it is only true if our impending conversations were to get linked up with economics. Of course that will not be the case. We can beat Signor Mussolini at the game which his own political extravagance has forced on him. Let us play him for time, which is demonstrably on our side. *He* may have his hopes of assistance—which wd. enable him to go on with his present courses, unless he changed his heart, & of that we have no evidence. But *we* can continue to *lui tenir la dragée haute*; and in a couple of years time we shall be strong enough to make us a most unpromising adventure. And all this holds good for Germany too and Japan. And it all confirms what I have written for years: unless we have proof of a real change of political heart in the dictator countries, let us—without taking any active step to keep dictators lean—*do nothing* whatever to fatten them. Any other course will probably result in our destruction. One could not ask for clearer evidence of this than is implied in every line of this despatch. Italy still wants "to increase her power & prestige in relation to other countries, notably to that of Great Britain". So does Germany. [Marginal comment by Mr. Eden: 'Yes, this is certainly so.'] Why shd we assist them to do this without a more than adequate return. [Marginal comment by Mr. Eden: 'Again I agree. But are we quite sure that what we are proposing at Geneva about Abyssinia is not precisely this?']

In a minute of August 26 Mr. Eden wrote: 'This despatch confirms my view that we should be wrong to place ourselves in the forefront of an effort at Geneva to turn Abyssinia out. Mussolini lives largely upon prestige. I can imagine nothing more gratifying to him than the picture of the British Foreign Secretary "touting" for signatures to secure the expulsion of Abyssinia in order that conversations may begin with Italy on the terms laid down by Signor Mussolini at Palermo. It is this aspect of our Geneva programme that troubles me so greatly, and I cannot yet reconcile myself to the role many wish to cast me for. Is it not true that if Abyssinia were not turned out at Geneva this year, nobody raising the matter, the rebuff would be Mussolini's? If we should keep him lean, does not that apply to prestige as much as to £.s.d.?' Cf. No. 115 below.

No. 94

Extract from notes of a meeting of ministers[1] *held at the Foreign Office on August 17, 1937, at 4 p.m.*

[*W 15727/23/41*]

Most Secret 2, WHITEHALL GARDENS, S.W.1, *August 17, 1937*

PRESENT: Lord Halifax (*in the Chair*); Mr. Eden, Mr. Ormsby Gore, Mr. Duff Cooper, Mr. Hore-Belisha, Sir R. Vansittart, Rear Admiral Cunningham, Field Marshal Sir C. J. Deverell, Major General Haining, Colonel Ismay (Deputy Secretary, C.I.D.).

2.[2] *The Spanish Civil War—Policy to be adopted against submarine attack*

SIR ROBERT VANSITTART said that in view of the reliable information in the possession of the Admiralty that Italian submarines had orders to attack oil tankers, including British, on the way to territory in the control of the Valencia Government,[3] he had thought it right to send for the Italian Chargé d'Affaires on the 12th August,[4] and to do what he could to obviate the danger. He had told Signor Crolla in a friendly and informal, and not in an official manner, that we knew for a fact that the attack on the *British Corporal* had been carried out by aeroplanes based on Palma.[5] He had added that there was a tendency in circles outside the Foreign Office, and noticeably in press circles, to reason that because these aeroplanes had been based at Palma, and because the Italians were known to play a prominent part at Palma, the aeroplanes were therefore quite possibly Italian. Up to the present we had been successful in keeping such speculation out of the press, but it was obviously most desirable that there should be no further incident in the Mediterranean which might be capable of being attributed in the press to Italian activities. This would have a most unfortunate effect on the forthcoming Anglo-Italian conversations. Signor Crolla had said that his Government were convinced that the aeroplanes which attacked the *British Corporal* were 'red'. He (Sir Robert) had replied that he did not wish to argue the case, but merely to express the hope in a private and friendly manner, that nothing would occur in the future from which unfortunate inferences might be drawn. Although the conversation was a purely private one, he had suggested to Signor Crolla that he should let his Government know what had been said.

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[1] According to his memoirs (*Facing the Dictators*, *op. cit.*, p. 457), on August 17 Mr. Eden 'decided to ask for a meeting of Ministers, since the Admiralty held reliable information that Italian submarines had orders to attack oil tankers of any nationality sailing to ports controlled by the Spanish Government' (see note 3 below). He came to London to attend the meeting, and then returned to Southampton to resume his holiday.

A covering note to these minutes by Colonel Ismay stated that they were circulated on Lord Halifax's instructions to the Prime Minister, all members of the Cabinet Foreign Policy Committee, and other Ministers who were closely concerned with subjects dealt with at the meeting.

[2] The first topic dealt with was the Far Eastern situation, which will be the subject of another volume in this Series.

[3] Admiralty information on this topic is summarized in an article by Mr. Peter Gretton, 'The Nyon Conference—the naval aspect', in *The English Historical Review* (January 1975), pp. 103–12. He does not quote the F.O. documentation, which in any case has been so heavily weeded at this point as to be seriously deficient on many essential points.

This phase of Italian policy appears to have had its origin in an urgent message from General Franco to the Italian Government on August 3 that strong Russian aid for the Spanish Government was on its way, consisting of 100 heavy, 500 medium, and 2,000 light tanks, 300 planes, 3,000 motorized machine guns and other material, with Red maintenance personnel and command units. The report was thought to be 'exaggerated', but urgent help was requested to stop the transports when proceeding south of Italy en route for Spain. Signor Mussolini acceded to this request, and proposed that the interception should take place in Sicilian waters (*D.G.F.P.*, *op. cit.*, Nos. 407, 408, and 409).

[4] See No. 99 below.

[5] *The British Corporal* (6,972 tons), owned by the British Tanker Co., was proceeding from Abadan to England with a full cargo of motor spirit, and was bombed on the morning of August 6, 30 miles west of Algiers, by three Spanish aeroplanes. The attack lasted an hour; the bombing was followed by machine gunning as the crew were trying to take to the boats. See *The*

THE FIRST LORD OF THE ADMIRALTY raised the question of the action that should be taken by His Majesty's ships in the event of submarine attack upon British merchant shipping. He said that recently there had been an increasing number of such attacks upon ships of other nationalities in Mediterranean waters, and that the area in which these incidents were taking place had been considerably extended. The Admiralty had reliable information that submarine attack upon British ships approaching Spanish Government ports was contemplated, and that such attack might take place at any moment. The Commander-in-Chief, Mediterranean Fleet, had represented that the procedure which was to be followed if one of His Majesty's ships was attacked by a submarine had been laid down by His Majesty's Government, but that he had no guidance as to the action which should be taken by His Majesty's ships in the face of submarine attack on a British merchant ship; and he had submitted proposals as to the instructions which should be given to him on this point.

The First Lord of the Admiralty passed round copies of the Commander-in-Chief's telegram, and explained that in the event of submarine attack on a British merchant ship, it would be the duty of any British destroyer that came upon the scene, first to see that the crew of the torpedoed ship was safe, and secondly to engage the submarine.

THE LORD PRESIDENT entirely agreed with these instructions, provided that it was certain that the submarine found in the vicinity of the attack was in fact the guilty party. But it seemed to him that there must always be a danger of sinking an innocent submarine.

REAR-ADMIRAL CUNNINGHAM explained that it was not the practice of innocent submarines to operate submerged in a theatre of hostilities, and that the chances of a mistake were therefore extremely remote.

Times, August 7, p. 10. The incident was dealt with in about a dozen incoming telegrams to the Foreign Office during the next few days from Valencia, Hendaye, Algiers, and Berlin, but none of these has been preserved in the F.O. archives.

The Secretary of State for Foreign Affairs observed that there must always be the danger of sinking the wrong ship that happened by chance to be in the vicinity of the incident.

The First Lord of the Admiralty agreed, but pointed out that the Italian manoeuvres would be completed within the next two days, and that after that there would be no sort of excuse for any innocent submarine to be operating submerged in that part of the world. He added that if a public announcement were made that instructions on the lines recommended by the Commander-in-Chief, Mediterranean, had been issued to the Fleet, there would be still less risk of an accident.

The Lord President agreed with the necessity for the issue of orders on the lines advocated by the First Lord of the Admiralty, but he thought that in view of the possibility of far reaching consequences, the approval of the Prime Minister ought first to be obtained. If a copy of the notes of the Meeting could be sent to the Prime Minister by to-night's post, he would be able to communicate his decision by telephone within 24 hours. This would mean that the Mediterranean Fleet would have instructions to operate against submarine attack on the lines advocated by Thursday, the 19th August, and that a *communiqué* could appear in the press on that day.

The Secretary of State for Foreign Affairs and the **First Lord of the Admiralty** expressed anxiety at the prospect of even this short delay. There was reason to believe that submarine attack on British merchant shipping was imminent, and indeed might already have taken place: and it would be disastrous if any of His Majesty's ships who happened to be in the vicinity of such attack should be without instructions as to the action which they should take to deal with it.

The Lord President thought in view of all the circumstances, that immediate action was necessary, but it was essential that this decision should be communicated to the Prime Minister forthwith.

Conclusions

It was agreed:

(a) That the First Lord of the Admiralty should be authorised to issue forthwith to the Commander-in-Chief, Mediterranean Fleet, the instructions which are contained in Appendix IV[6] to these Notes.

(b) That the following statement should be given to the press for publication in tomorrow's papers:[7]

> 'His Majesty's Governement have been seriously perturbed at the increasing number of attacks upon shipping which have occurred of late in Mediterranean waters and at the extension of the area in which these incidents are now taking place.
>
> His Majesty's Government have issued instructions through the Admiralty that if any British merchant ship is attacked by a submarine

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[6] Not printed: the instructions will be found in a slightly elaborated version in No. 96 below.

[7] See *The Times*, August 18, 1937, p. 10.

without warning, His Majesty's ships are authorised to counter attack the submarine.'

(c) That the Secretary should communicate to the Prime Minister by telephone as soon as possible the above decisions and the circumstances leading up to them.[8]

THE LORD PRESIDENT instructed the Secretary to send copies of the Notes of the Meeting to the Prime Minister and all members of the Foreign Policy Committee.

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[8] A note at this point stated that in 'accordance with the above, the Secretary communicated conclusions (a) and (b) to the Prime Minister by telephone at 8.5 p.m. on 17th August. The Prime Minister approved. A record of the telephone conversation is kept with the standard copy of these Notes.'

No. 95

Letter from Mr. C. G. L. Syers[1] *to Mr. Hoyer Millar*

[C 5830/305/18]

Secret 10, DOWNING STREET, *August 17, 1937*

My dear Millar,

I duly sent to the Prime Minister the note about the proposed expulsion of Mr. Ebbutt from Germany and of certain German journalists from this country, which you were good enough to send me last week.[2] I feel sure that you will like to have a copy of the minute which the Prime Minister wrote on the paper. This ran as follows:

> 'I am glad to have seen this paper as I was a little uneasy about the incident. I am now satisfied of the correctness of our behaviour and the impropriety of the Germans.'

Yours sincerely,
C. G. L. Syers

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[1] A Private Secretary to Mr. Chamberlain.

[2] See Nos. 85, 88, and 89. The reference was to a memorandum giving a summary of the case of the expulsion of Herr von Langen and other German journalists from the United Kingdom, and dated August 12; it had been prepared in the Foreign Office for the information of the Prime Minister.

No. 96

Message from C-in-C. Mediterranean to Mediterranean Station[1]

No. 666 Telegraphic [*W 15646/23/41*]

Important *August 18, 1937, 5.8 p.m.*

H.M. Government has issued warning through press[2] that if a British merchant ship is attacked by submarine without warning, H.M. Ships are authorised to counter attack. Following instructions which apply to whole of the Mediterranean outside territorial waters, are to be brought into force forthwith.

2. *British merchant ships torpedoed in daylight.* British destroyer or destroyers which are or come on scene of attack should first see that crew of ship torpedoed are safe and then hunt submarine. If submarine remains submerged it may be taken as a sign of guilt, and if contact is first made within five miles of ship which has been torpedoed, she is to be hunted and sunk.

3. If submarine is detected submerging at a greater distance than five miles from ship torpedoed, she is not to be attacked but should be hunted in the hope that she may be forced to come to the surface and disclose her identity.

4. If a submarine is sighted on the surface in the vicinity of the ship torpedoed she is to be closed and action to be taken is as follows. (a) *If she remains on the surface* her identity is to be established but she is not to be attacked. (b) *If she submerges after her identity has been established*—she is not to be attacked. (c) *If she submerges before she is identified*, and position in which she submerges is within five miles of the ship torpedoed, she is to (?be) hunted and sunk. (d) *If she submerges before she is identified*, and position in which she submerges is *more* than five miles from ship torpedoed, she is *not* to be attacked, but is to be hunted in the hope that she may be forced to come to surface and disclose her identity.

5. *British Merchant ships torpedoed at night.* It is unlikely that attack will have been delivered by submerged submarine. British destroyer or destroyers which are or come on the scene are first to see that crew of torpedoed ship are safe, and are to search for and endeavour to establish identity of vessel that has fired torpedo.

If vessel which is (?found in) vicinity is submarine, the action to be taken is as laid down in (a) (b) (c) and (d) of paragraph 4 above.

6. While these instructions apply primarily to destroyers, their general principles apply to all classes of ships. Capital ships and cruisers however should mainly confine their efforts to rescue work, and should not invite attack on themselves by using depth charges or taking other hostile action against submarines, unless destruction of submarine appears certain.

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[1] Repeated to the Admiralty.

[2] See No. 94.

No. 97

Sir G. Ogilvie-Forbes (Berlin) to Foreign Office (Received August 19, 12.10 p.m.)

No. 208 Telegraphic: by telephone [*C 5970/305/18*]

BERLIN, *August 19, 1937*

My telegram No. 206.[1]

Ebbutt has this morning received notice to quit Germany by Sunday midnight[2] on the grounds that his continued presence is harmful to Anglo-German press relations. There is no appeal permitted.

He tells me he will leave on Saturday.

[1] In this telegram of August 17, Sir G. Ogilvie-Forbes reported a complaint by the German Foreign Office about the tone of *The Times* comment on August 17 on Mr. Ebbutt's expulsion: see Nos. 88 and 89.

[2] i.e. August 22.

No. 98

Message from Rear Admiral (Gibraltar) to Admiralty (Received August 20, 4.34 p.m.)

No. 713 Telegraphic [*W 15831/23/41*]

Secret Important GIBRALTAR, *August 20, 1937, 2.59 p.m.*

During discussion of Spanish conflict Admiral Carls informed me spontaneously that German Government was much perturbed by indiscriminate attacks on merchant vessels in the Mediterranean. He said if Great Britain would use her fleet for strongest possible action to prevent interference by either contestants [*sic*] Germany would readily assist. Similar statement was made to me by Admiral Boehm on 30th July.[1]

Understand that Admiral Carls is returning to Germany overland from Lagos Portugal at once.

[1] Minutes on this telegram by Mr. Shuckburgh, Mr. Howard, and Sir G. Mounsey were inclined to the view that these statements provided an opportunity which should not be missed for cooperation 'between the Four Powers in the Mediterranean', but a minute of August 23 Sir R. Vansittart was sceptical. 'I smell a rat here. Germans & Italians alike are resolved to make Franco win. The Germans know as well as we do—& better—that these "indiscriminate attacks" are being conducted by Italian ships . . . This telegram probably represents some amicable *talk*, which shd. not be taken too seriously . . . if we *were* to agree with them to go all out, we wd. find that *they* saw everything Red, & acted accordingly . . . unless we were very careful or lucky in exploring this tricky suggestion, we shd. only be reported at Rome as trying—abortively—to make trouble for Italy & to separate her from her ally & determined co-partner in Franco's victory.'

No. 99

Foreign Office to Mr. Ingram (Rome)

No. 273 Telegraphic [*W 15727/23/41*]

FOREIGN OFFICE, *August 20, 1937, 7.30 p.m.*

Sir R. Vansittart sent for Italian Chargé d'Affaires on August 12[1] and informed him in a friendly and informal manner that His Majesty's Government were satisfied that the attack on the *British Corporal* had been carried out by aeroplanes based on Palma. He added that there was a tendency in press and other circles to reason that the aeroplanes were therefore quite possibly Italian; up till then such speculation had been kept out of the press but it was obviously most desirable that there should be no further incident in the Mediterranean which might be attributed to Italian activities. Sir R. Vansittart suggested to the Chargé d'Affaires that he should inform his Government of the conversation.

In view of increased and far-extended activities in the Mediterranean during the last week and of attacks on shipping at considerable distance from Spanish ports it is becoming increasingly difficult to dissuade the press from publishing reports to the effect that Italian submarines etc. are responsible for or have connived at some of the attacks in question, particularly as masters of British ships have commented freely on extent to which their movements have been watched by Italian vessels.

I should be glad if you would, therefore, inform the Minister of Foreign Affairs of our preoccupation in this connection and of our anxiety, which I trust he will share, that no incident may occur which might have a most unfortunate effect on the forthcoming Anglo-Italian conversations.

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[1] Cf. No. 94.

No. 100

Mr. Ingram (Rome) to Mr. Eden[1] (Received August 25)

No. 731 [*W 16021/23/41*]

ROME, *August 23, 1937*

Sir,

I have the honour to state that I saw the Italian Minister for Foreign Affairs this afternoon in order to take up with him the questions raised in your telegram No. 273[2] of August 20th regarding recent incidents in the Mediterranean.

2. I told His Excellency that I was in no sense making any representations

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[1] Mr. Eden resumed charge of the Foreign Office on Monday, August 23.

[2] No. 99.

but that Sir Robert Vansittart had, on August 12th, expressed to the Italian Chargé d'Affaires his anxieties in connection with recent incidents in the Mediterranean and it had been suggested, therefore, that I should speak to him, Count Ciano, in the same sense.

3. His Excellency would recollect that one of our merchant ships, the *British Corporal* had recently been attacked from the air. His Majesty's Government were quite satisfied that this attack had been carried out by aeroplanes based on Palma. The trouble was that political and certain other circles in England were hinting that those aeroplanes might possibly have been Italian ones. This was of course most unfortunate, but luckily the English press had not yet treated the incident on those lines.

4. As he knew, His Majesty's Government were sincere in their desire that nothing should disturb the present atmosphere which was so favourable to the forthcoming Anglo-Italian negotiations. They were therefore all the more anxious that no further incident should occur in the Mediterranean which might be attributed by mischief-makers to supposedly Italian activities. I would be quite frank with him. There were other incidents which had perturbed His Majesty's Government; of late there had been increased activity in the Mediterranean particularly at considerable distances from Spanish ports; moreover, the masters of British vessels had recently been commenting freely on the extent to which their movements were being watched by Italian vessels. The danger, to my mind, was that people might put two and two together and draw some inferences in which the name of Italy might be involved. If anything of this nature were taken up by the British press, and His Majesty's Government had no means of preventing it, it might go far to spoil the excellent atmosphere which had at last been created between the two countries. We therefore felt that it would be contrary to the spirit that now animated Anglo-Italian relations if we did not frankly and openly communicate to His Excellency our anxieties on the above points.

5. Count Ciano proceeded to say that he appreciated the tenor of my observations and that he cordially agreed that the last thing to be desired was that anything should disturb the present atmosphere. As regards the *British Corporal*, he could only say that if we were convinced that the aeroplanes attacking it were national ones, he was equally convinced that those who attacked the *Mongioia* only a short time afterwards, were Government ones.[3] As regards submarine activity in the Aegean, he had been informed by his experts that it was quite within the capacity of a modern submarine to operate at such distances from a Spanish port. Turning to the comments of the masters of British vessels, he said that he thought that there was an easy explanation of *all* this. During the last three weeks there had been a naval concentration and manoeuvres of the Italian fleet in Sicilian waters and it was only natural that a lot of Italian ships should be apparently cruising about in that area. Italian policy in Spain had been reiterated time and again. Italy had no political, territorial or commercial designs in the Spanish peninsular [*sic*]. His

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[3] A marginal comment by Mr. Shuckburgh here read: 'He *knows* they were Italian ones!' The *Mongioia* was an Italian vessel.

Government were solely concerned with preventing a Bolshevik Government being set up there. His Excellency then repeated his anxiety that nothing should happen to upset the atmosphere at present reigning between the two countries.[4]

I have, etc.,
E. M. B. INGRAM

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[4] For Count Ciano's account of this conversation see *Ciano's Diplomatic Papers* (London, 1948), pp. 134–5. Cf. also *Ciano's Diary 1937–1938* (London, 1952), p. 3.

No. 101

Sir N. Henderson (Berlin) to Mr. Eden (Received August 24, 5 p.m.)

No. 211 Telegraphic: by telephone [*C 6155/4222/18*]

Important BERLIN, *August 24, 1937*

Following for Sir R. Vansittart:

In confirmation of a telephonic conversation with Central European Department this afternoon following are my arrangements for Nuremberg rally.[1]

Leave Berlin September 9th evening. Arrival at Nuremberg early morning September 10th and remain there that day attending any functions including visit which Chancellor is to make to Diplomatic Corps in their special train. Sleep that night in train and return to Berlin on afternoon of September 11th.

The United States Chargé d'Affaires has asked if he may accompany me and conform his conduct exactly to mine to which I have readily agreed. As regards condition (B) in Mr. Strang's letter[2] I have been duly assured that proceedings during my stay will be completely innocuous and that there will be no political speeches but the exact programme has yet to be fixed.

I trust press will not be informed of conditions attached to my visit which should, if possible, be treated as matter of courtesy and personal interest. Corps Diplomatique are guests of German Government.

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[1] Cf. No. 60.

[2] See *ibid.*, note 2.

No. 102

Mr. Eden to Mr. Ingram (Rome)

No. 274 Telegraphic [*W 15727/23/41*]

FOREIGN OFFICE, *August 25, 1937, 10.10 p.m.*

My telegram No. 273.[1]

A point has I feel now been reached, which necessitates some frankness between His Majesty's Government and Italian Government. Continued attacks on neutral shipping in Mediterranean are causing us the gravest concern, and public opinion everywhere and not only in this country is showing growing inclination to believe that many of the incidents must be due to Italian activities. If these activities continue, it is only a question of short time before comment begins in the press.

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[1] No. 99.

Complaints have been received that Italian seaplanes have on several occasions reconnoitred and scrutinised vessels on normal traffic routes in Mediterranean by flying at very low altitude over vessels causing danger to navigation. Most recent case in point was that of s.s. *Yorkmoor* which, when some one hundred miles east of Malta on August 14th was circled over in a dangerous manner by Italian seaplane 186–5. A similar complaint has already been made by s.s. *Dallas City*.

Please bring above to the urgent notice of Minister for Foreign Affairs and say that I feel bound to mention these events because I am sincerely apprehensive of some unfortunate incident in the Mediterranean which I am sure that the Italian Government would deplore as much as I should. We both desire that our forthcoming conversations should take place in an untroubled atmosphere. The worst of all incidents would be some untoward occurrence in relation to a British ship, but of course any widespread incidents in regard to the shipping of other friendly nations would also tend to prejudice the conditions in which we must both desire that our conversations should take place.

CHAPTER II

Nyon Conference and Nuremberg Rally August 26–September 30, 1937

No. 103

Mr. Eden to Mr. Lloyd Thomas (Paris)

No. 1674 [*W 16229/23/41*]

FOREIGN OFFICE, *August 26, 1937*

Sir,

The French Chargé d'Affaires came to see me today when we spoke of the Spanish situation. The Chargé d'Affaires stated that as he knew he was going to see me today he had been in touch with Paris to ask if there was any point they wished to raise. M. Massigli[1] had replied that there was always the question of the conversations with Italy and the relations of the incidents in the Mediterranean to them. The French Government had taken steps similar to our own for the protection of their shipping but were nonetheless much preoccupied by the situation. It had been suggested from Paris that it would greatly facilitate the situation if any diplomatic conversations were possible between Rome and Paris and London before the League meeting in September. If some relaxation in the Mediterranean could be achieved by these means it would be of the greatest assistance. Otherwise the French Government feared that the controversy at Geneva would be bitter and that we should be placed in the difficult position of having to pronounce on the Spanish complaints against the Italians. The French Government had sufficient information, M. Cambon added confidentially, for them to be certain that the Italian Government had been collaborating in recent naval activities on General Franco's behalf in the Mediterranean. I replied that I fully shared the French Government's desire for a Geneva meeting to take place in a better atmosphere in so far as concerned Italy, but I was not myself quite clear what the objective of the diplomatic conversations would be. M. Cambon said he saw the difficulty because if we merely asked the Italian Government what their ships had been doing we should certainly meet with a denial that they had been acting in any way improperly. He undertook to tell his Government that he had spoken to me and to ask them to explain more fully what they had in mind.

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[1] Joint Director of the Political Affairs Department in the French Foreign Ministry.

2. In relation to Anglo-Italian conversations in general, M. Cambon explained that the French Government welcomed them because they considered that they had brought about some *détente* in Franco-Italian relations also. If it were not for Italian intervention in Spain and the shipping incidents in the Mediterranean there might be an occasion for a real improvement in relations with Italy, but M. Cambon clearly regarded these obstacles as very formidable indeed. I then read to the French Chargé d'Affaires the text of our warning to Salamanca in connexion with the protection of British shipping (telegram No. 302).[2]

3. I then said that there were two further matters that would arise at Geneva. One was the question of Abyssinia. In this connexion the question would arise in one of two forms. Either there would be an Abyssinian Delegation in which case the Credentials Committee would have to pronounce upon the credentials, or there would be no Abyssinian delegation, in which case the matter might be raised by a delegation or a number of delegations. M. Cambon remarked that the last pronouncement of the French position which he had seen was that of M. Chautemps to the Italian Ambassador, which he had reported to Sir Orme Sargent.[3] Signor Cerruti had asked M. Chautemps whether anything was going to happen about Abyssinia at Geneva this year. M. Chautemps had replied that he did not know. So far as the French Government were concerned while they would be glad for a variety of reasons to see the question finally disposed of, they were not prepared to take any initiative in the matter. M. Cambon added that speaking purely for himself he thought that the French Government would continue to be firmly opposed to taking any initiative. Indeed I gathered the impression that he thought that they hoped that the matter would pass off as it had in May, when he reminded me that the initiative of the Polish Government had found no support.[4] He supposed there would still be considerable opposition by some of the smaller Powers. But he repeated that he was only giving a personal impression and would certainly ask his Government what their present views were.

4. He then enquired whether His Majesty's Government had considered this question and whether they had come to any final decision. I replied that we had certainly considered the question, but that we had not come to any final decision. Nor would we do so until we knew the views of the French Government. We had always taken the view that the decision was a matter for the League and to that view we still adhered. At the same time it was important to realise what the question was that might come before us. There

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[2] Of August 25, not kept in F.O. archives. It apparently instructed Mr. G. H. Thompson, H.M. Chargé d'Affaires at Hendaye, to protest to General Franco's Government against attacks on British merchant shipping by Nationalist aircraft. Mr. Thompson transmitted a copy of his note to the Salamanca Government, embodying his instructions, in despatch No. 595 of August 27 (W 16330/23/41).

[3] Cf. *D.D.F.*, *op. cit.*, No. 333.

[4] See Volume XVIII, No 547.

could be no question of the League being asked to grant *de jure* recognition to Italian conquest of Abyssinia, or indeed to pronounce at all about Italy and Abyssinia. We certainly would not be prepared to modify our own views which we had previously expressed as to the Italian action. The question, however, with which the League might well be called upon to deal was whether or not Abyssinia continued to exist as an independent political State. That was a question of fact. It could certainly be argued with some force that once a murder had been committed which the police had failed to prevent there was nothing to be gained by refusing to admit that there was a corpse. M. Cambon replied that he fully understood the importance of the distinction, and he would certainly ask his Government for their views. He did not think they would be willing to agree to admit the official conquest of Abyssinia by Italy. On my remarking that if we all decided on this course we ought to realise its implications—I presumed it meant that many nations would be without Ambassadors in Rome for another year, M. Cambon shrugged his shoulders and repeated that all he had been able to do was to give me a personal impression of the French Government's attitude. He begged me not to treat it as official, but undertook to refer to his Government and to let me know their reactions early next week.

5. I formed a clear impression that M. Cambon thought that the French Government would prefer to say nothing about the Abyssinian position this year and that no initiative was to be expected from them.

I am, etc.,
ANTHONY EDEN

No. 104

Mr. Ingram (Rome) to Mr. Eden (Received August 28, 9.30 a.m.)

No. 460 Telegraphic [*W 16254/23/41*]

ROME, *August 27, 1937, 7.15 p.m.*

I left aide-mémoire containing gist of your telegram No. 274[1] with Minister for Foreign Affairs this morning reminding him of my previous conversation with him on the subject (see my despatch No. 731)[2] and saying that His Majesty's Government felt so strongly about it that they had again instructed me to impress on him their grave anxieties.

2. His Excellency was inclined to wax ironical about it all maintaining that flying low over ships was far more dangerous to aircraft than to the ship. I said it was not so much the facts as the implications which might be attached to them that worried His Majesty's Government who would be lacking in friendship towards Italy if they did not frankly draw His Excellency's attention to them.

3. I hoped, I said, that His Excellency would agree with me that it was in

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[1] No. 102.

[2] No. 100.

the highest degree desirable that nothing should disturb the atmosphere which was now favourable to Anglo-Italian conversations. If he did he could not quarrel with us for expressing our above-mentioned anxieties. His Excellency said that he entirely agreed that atmosphere must not be upset and the interview closed more cordially than it had begun.[3]

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[3] Cf. *Ciano's Diplomatic Papers, op. cit.*, pp. 135–6.

No. 105

Aide-Mémoire[1] *communicated by the Polish Embassy on August 27*

[C 6143/1/18]

Confidential POLISH EMBASSY, LONDON, *August 27, 1937*

L'attention du Gouvernement polonais a été dernièrement sérieusement retenue par les échanges de vues entre les Gouvernements allemand, belge, britannique, français et italien qui se sont poursuivis ces mois derniers dans le but d'établir les bases d'un nouveau Pacte occidental. Ces échanges de vues, ayant atteint actuellement un état de développement assez avancé, le Gouvernement polonais croit de son devoir de préciser sa position par rapport à ces pourparlers.

1. Le Gouvernement polonais a suivi avec la plus grande attention les pourparlers en question, en raison tant de leur importance pour l'avenir de la paix en Europe, que des intérêts de la Pologne intimement liés à tout arrangement destiné à remplacer les accords de Locarno. L'heureux aboutissement des négociations pourrait avoir pour effet une *détente* politique désirée par tous les gouvernements et faciliterait la normalisation de la situation générale en Europe, ce qui serait de nature à contribuer également au redressement économique auquel visent les efforts de tous les pays.

2. Ce résultat important, souhaité également par le Gouvernement polonais, pourrait être atteint, si l'arrangement envisagé comportait les éléments essentiels, sur lesquels repose la consolidation de la situation européenne. A défaut de réalisation de cette condition il serait à craindre qu'au lieu d'assurer la paix en Europe, l'arrangement ne présente tous les désavantages d'un accord partiel, incapable d'opposer une résistance sérieuse aux difficultés qui viendraient à surgir.

3. Le Gouvernement polonais, sérieusement préoccupé par cet état de

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[1] A covering note by Sir R. Vansittart was as follows.

'The annexed memorandum was left with me today by the Polish Chargé d'Affaires [M. Jazdzewski], who said it was a document to which his Government attached the greatest importance. It was addressed to His Majesty's Government as we were taking the leading part in the pursuit of a Western Pact, but copies were also being sent to all the other Powers concerned.

The Chargé d'Affaires hoped that we should be able to study it speedily as the Ambassador was returning to his post next week and would doubtless wish to discuss the paper with us. R.V. 27th August, 1937.' Cf. No. 47.

choses, estime que les arrangements visés par les échanges de vues cités plus haut, ne pourraient avoir l'efficacité nécessaire s'ils ne tenaient pas compte des éléments de sécurité, tels que les accords de la Pologne avec la France et l'Allemagne, puissances particulièrement intéressées à l'arrangement occidental, et notamment du traité d'alliance polono-français, antérieur aux accords de Locarno, et de la déclaration de non-agression polono-allemande, intervenue entretemps. En raison de l'existance des liens contractuels dans ce domaine entre la Pologne et la France d'une part, la Pologne et l'Allemagne d'autre part, la Pologne est forcément appelée à jouer un rôle actif dans l'oeuvre de consolidation de la situation politique en Europe occidentale.

4. Malgré les réserves que les accords de Locarno provoquaient du point de vue de la Pologne, et auxquelles le Gouvernement polonais a publiquement donné expression à maintes reprises, il est à retenir que déjà ces accords tenaient compte, dans une certaine mesure, des intérêts directs de la Pologne dans les problèmes en question, et qu'ils sont devenus pour elle la source de certains droits acquis dans ce domaine.

Cependant le Gouvernement polonais croit nécessaire de rappeler ses déclarations antérieures, dans lesquelles il avait constaté qu'il devoit considérer comme inacceptable pour lui tout traité touchant aux intérêts de la Pologne, mais négocié sans la participation de celle-ci. Il en serait de même des traités, dont les cadres, pareillement à ceux des accords de 1925, ne lui donneraient pas suffisamment satisfaction.

5. Le Gouvernement polonais considère que la Pologne est intéressée directement à l'arrangement envisagé. Il est tout disposé à collaborer à l'oeuvre commune de la stabilisation en Europe, en tant que ses propres intérêts seraient sauvegardés d'une façon satisfaisante. Le Gouvernement polonais exprime l'espoir que les puissances engagées dans la négociation jugeront opportun de tenir compte de l'importance des considérations qui précédent, d'autant plus qu'il ne semble point indifférent que le développement de la politique polonaise ait lieu dans le cadre du nouveau système, ou qu'il en soit indépendant.[2]

[2] In a minute of September 2 Mr C. W. Baxter, a First Secretary in the Central Department, agreed with Mr. Mallet's comment that this new Polish note was 'no clearer than other Polish statements on the subject of the Western Pact', and made suggestions as to the line to be taken in speaking to the Polish Ambassador. This was substantially the same as that of paragraph 3 of Mr. Eden's despatch No. 1993 of October 22 (see No. 265 below). Sir R. Vansittart commented on September 3: 'We cannot defend or justify any inclusion of Poland which does not also apply to Czechoslovakia. I agree that the reply to the Polish Ambassador shd. be on the lines suggested by Mr. Baxter; but it will also have to include this point . . . The whole thing is of rather academic importance now, as there is unlikely to be any sort of pact, Eastern or Western. The Germans don't mean business, or anyhow any acceptable business.'

No. 106

Letter from Sir O. Sargent to the Earl of Perth[1]

[R 5928/1/22]

FOREIGN OFFICE, *August [27], 1937*

Dear Drummond,

Van is so busy with China[2] that he has asked me to write to you and explain the recent developments regarding your return to Rome next month. You will remember that at a departmental meeting which you attended on the 10th instant, you suggested that before your conversations with Ciano started, H.M. Government should indicate their intentions as regards recognition of Italian sovereignty over Abyssinia by notifying the League Secretariat that H.M. Government would raise the question of the Abyssinian situation in a general debate in the Assembly.[3]

For a variety of reasons which I need not go into, this suggestion has not been followed up and as things now stand no announcement—in any form—of H.M. Government's intentions will be made before the Assembly meets. In these circumstances it is felt that it would be hardly fair—or indeed profitable—in the light of the considerations which you put forward at the meeting of the 10th to ask you to start your conversations with Ciano at the beginning of next month. Instead it is now suggested that these conversations should be postponed until the end of the month, when the Assembly will have had time to discuss the Abyssinian question (assuming that it is raised).

Meanwhile Ciano has questioned Ingram as to what your plans were about returning to Rome. Ingram, off his own bat, replied that he had not been told of any alteration in your original arrangement whereby you would be returning to Rome on about September 6th. But he went on to point out that although he had heard nothing from you, it was possible that your original plans might be somewhat upset in view of the death of your brother and your succession to the title, all of which might involve you in much family business which you could only transact in this country. Ingram, having thus prepared the ground, has now been told by telegram that we approve the line he took and that he can tell Ciano that he was right in supposing that your family affairs would necessitate some postponement of your return to Rome, but that you will be able to reach Rome towards the end of September; Ingram is to express regret at this unavoidable short delay which we feel sure the Italian Government will understand. We have not yet heard how Ciano has taken this communication, but Ingram has been told to report at once if he shows signs of taking it amiss in any way.

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[1] This letter was addressed to Sir Eric Drummond at Kinharvie, New Abbey, Dumfries. His half-brother, the 15th Earl of Perth, had died at Rouen, France, on August 20. Sir Eric succeeded to the title as the 16th Earl. A telegram of August 26, addressed to him as 'The Earl of Perth', said: 'It is proposed that you should extend your leave. Letter follows. Vansittart.'

[2] British policy towards China at this period will be dealt with in a subsequent volume of this Series. The position at this point was that the local fighting outside Peiping on July 8 (the Lukouchiao 'incident') had been followed by the massive reinforcement of Japanese troops in northern China and a rapid advance south which resulted in an attack on Shanghai in mid-August. Here the British had great business interests and many citizens and there were meetings of the ministers concerned in London to decide what to do to protect them. On August 26 the British Ambassador, Sir Hughe Knatchbull-Hugesson, was bombed and machine-gunned when travelling by car from Nanking to Shanghai, and seriously wounded. The Japanese Government after some delay admitted liability and expressed regret on September 28.

[3] No. 90.

I am sorry it was not possible to consult you before telegraphing to Ingram, but time was getting so short that we felt that since there was to be a postponement Ciano ought to be told at once. I hope you will agree with the line we have taken and will not object to our having evoked 'family reasons'. If there is any further message that you would like to send to Ciano, will you let us know so that we can pass it on to Ingram?

Incidentally rumours are widely current both in Berlin and Rome to the effect that Mussolini may pay a visit to Hitler at Berchtesgarten [*sic*] either at the end of this month or after the Nuremberg party meeting. Ingram has made enquiries at the Palazzo Chigi as to whether there is any truth in these reports but has not as yet been able to elicit any reply. He thinks, however, that there may be something in the rumours and that this may in part explain Ciano's recent enquiries whenever he has seen Ingram as to when precisely you will be returning to Rome.[4]

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[4] See Nos. 215 and 225 below. Concluding salutation omitted from the filed copy of this letter.

No. 107

Sir N. Henderson (Berlin) to Mr. Eden (Received September 2)

No. 783 [*C 6206/270/18*]

BERLIN, *August 29, 1937*

Sir,

I had some conversation with Dr. Schacht yesterday at his country place at Gühlen where he had invited me to dinner.

2. He began by telling me that there would shortly be some change in his status, but that it would not mean that he had in any respect lost the confidence of the Chancellor whom he had seen a few days previously. As the rumour has for some time past been current that Dr. Schacht would be leaving the Ministry of Economics, I merely observed that I presumed he would remain at the Reichsbank. Dr. Schacht replied 'Of course, at any rate for some time'.

3. He then told me that Hitler was still profoundly discouraged and resentful at British unwillingness to show any disposition to meet Germany halfway. I told Dr. Schacht that I realised that this was the Chancellor's

frame of mind. General Göring had told me the same thing[1] but I found it entirely unreasonable and inexplicable. The invitation to Baron Neurath to visit London had been intended as a clear indication that His Majesty's Government were very willing to discuss the general lines of the possibility of an understanding. It was the Chancellor himself who had frustrated this good intention.

4. Dr. Schacht, after making the cryptic remark that Italian influence had done much to prevent the Neurath visit from taking place, argued at some length that the right procedure was not to begin with politics (i.e. Neurath) but with economics (i.e. Schacht). The Standstill and long-term Debt questions[2] might serve as the ostensible objects of an economic discussion in the course of which political questions might be raised in principle, though he agreed that there should be no question of their immediate settlement. I remarked that while personally I would also in some respects have preferred to begin with economics rather than politics, on the ground that thereby a more auspicious atmosphere might be created, I feared that any economic solution would be difficult so long as it was felt abroad that any alleviation of Germany's economic position would merely be used for the benefit of German rearmament. When would Germany reach the peak of her rearmament and be ready to slow down? 'Never,' replied Dr. Schacht. I said that 'never' was absurd. I quite realised that Germany had had to begin at the bottom of rearmament and to spend untold sums in order to recover the ground lost, just as Great Britain had found herself obliged to do last year in view of the inadequate military situation in which she had found herself as the result of her own premature disarmament. But to assert that Germany would always go on at the pace she was going today was a hopeless proposition. To this Schacht retorted that, knowing the Nazi leaders as he did, it was nevertheless the fact—'unless limitation or a slowing down came as the result of agreement with England'.

5. The arrival of other guests prevented any prolongation of this discussion from which the main impression I derived was that Dr. Schacht is anxious to restore his personal prestige, which will be shaken by his departure from the Ministry of Economics, by being invited to England. Hitler, though he is undoubtedly bitterly aggrieved at Great Britain's attitude in general, still clings to the belief that Germany's best interests would be most effectively served by an agreement with England. All his entourage are aware of this preference and each, except possibly Goebbels, would like to be the instrument towards its realisation. Goebbels has probably always said that an Anglo-German understanding is impossible and is chiefly concerned in proving himself right rather than in helping Hitler to achieve his object.

6. To the above extent Dr. Schacht's observations must be taken with considerable reserve. He has of course for a long time past hankered for an invitation to London. His views are therefore inspired by self-interest, though at the same time they are not necessarily incorrect. It is indeed an open

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[1] Cf. Volume XVIII, No. 593.

[2] See *ibid.*, Nos. 107 and 271.

question whether a visit by him to London might not serve a useful purpose, provided politics were excluded from the discussions.[3]

7. Schacht's political wrong-headedness was illustrated yesterday in his comments as regards France. The latter, he said, was only too anxious to come to an understanding with Germany but was solely prevented from doing so by Great Britain. I demurred very strongly to this, but Dr. Schacht maintained his point, which he said had been impressed upon him by the French, adding that M. Blum had again assured him last May[4] that once France reached an agreement with Germany the Soviet pact would have little further interest for her. As for Czechoslovakia, that question could, he thought, be settled on the basis of a form of autonomy for the *Sudetendeutschen*.

8. I find it difficult to believe that Dr. Schacht is honestly convinced that it is Great Britain alone which hinders a Franco-German agreement. I should have thought him too intelligent. At the same time I was astounded to hear the new American Counsellor express to me a few days ago the same point of view. Mr. Gilbert,[5] who has spent the last six or seven years as United States observer at Geneva, told me that he had been led from all his contacts with French politicians during that period to the same conclusion.[6]

I have, etc.

NEVILE HENDERSON

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[3] Comments in the Foreign Office were to the effect that the main object of a visit by Dr. Schacht would be to restore his shaken credit. Sir R. Vansittart commented on September 7: 'Yes, we certainly don't want Dr. Schacht back in the picture merely to restore his prestige. Nor do we want an economic settlement without a political one. So the visitor will have to be Neurath or no one.'

[4] See Volume XVIII, Nos. 551 and 556.

[5] Mr. P. B. Gilbert, U.S. Consul at Geneva 1930–37; Counsellor to the U.S. Embassy at Berlin, 1937–39.

[6] See on this point *For the President* (ed. O. H. Bullitt, Boston, 1972), pp. 203–9, for the view of the American Ambassador at Paris, Mr. W. C. Bullitt.

No. 108

Mr. Eden to Mr. Lloyd Thomas (Paris)

No. 1681 [*W 16299/23/41*]

FOREIGN OFFICE, *August 30, 1937*

Sir,

The French Chargé d'Affaires came to see me this afternoon when he said that he had been in communication with M. Delbos on the subjects which we had discussed at our last interview.[1] First of all M. Delbos would be very pleased if I would dine with him on the evening of the 9th in Paris on my way to Geneva.[2] M. Delbos would be going on by the night train to Geneva and he presumed I should be doing the same. I replied that I should be glad to do this.

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[1] See No. 103.

[2] i.e. to attend the 18th session of the League of Nations Assembly, and meetings of other League bodies.

2. We then spoke of Palestine, in respect of which the French Government said that they would have an expert, M. Chauvel, in their delegation, who would be glad to discuss this question with our experts.

3. M. Cambon then handed me the attached note,[3] setting forth the French Government's views in detail. In respect of the paragraph which dealt with the blockade in the Far East, I told the Chargé d'Affaires that I would consult with our Admiralty as to the position in respect of requests by Japanese ships to British ships to stop in order that their national identity might be ascertained, and would let him have a reply as soon as possible.

4. Turning to Abyssinia, I remarked that I feared I was not quite clear from the two sentences which dealt with this subject what was the French Government's present attitude. The first sentence appeared to take the view that the position of Abyssinia should be dealt with. The second sentence appeared to qualify that view. Could M. Cambon enlighten me? The Chargé d'Affaires replied that he thought the explanation was to be found in the fact that the first sentence represented the French Government's attitude before recent events in the Mediterranean, whereas the second sentence represented their attitude now. After some further conversation the Chargé d'Affaires explained that he thought the French attitude could be summed up as follows. 'En principe nous comprenons tout l'interêt qu'il y a à ne pas laisser se prolonger la position actuelle de l'Ethiopie à la Societé des Nations, mais d'un autre côté nous trouvons que l'attitude prise par l'Italie à propos d'autres questions ne permet au Gouvernement français de prendre, ou de se joindre, à aucune initiative à la prochaine réunion de l'Assemblé à Genève.' The Chargé d'Affaires further explained that while he thought that he had correctly described his Government's attitude, he would refer to Paris again and ascertain whether or not his interpretation was correct. In any event he must emphasise that the French attitude was liable to fluctuations on account of Italian conduct. It was this unsatisfactory conduct that made the French position so difficult. However anxious they might be to deal realistically with a matter of fact, the actions of the Italian Government created the greatest difficulties for them.

5. We then spoke of the fourth item of the French note, naval incidents in connexion with Spain. I pointed out that the first paragraph of the French Government's note was hardly correct. I had not raised difficulties about representations to the Italian Government, but had asked the French Government to make plain exactly what purpose they hoped to realise by these representations. As regards points A and B set out in the French note, I clearly could not express an opinion until I had had an opportunity to consider them further and probably to consult with the Prime Minister and some of my colleagues.

6. Finally we turned to the last portion of the French note dealing with the

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[3] Not printed: it summarized M. Cambon's instructions as set out in *D.D.F.*, *op. cit.*, Nos. 364 and 365.

situation in Spain and the policy of non-intervention. In this connexion M. Cambon said that he had been instructed by his Government to see me urgently and to point out that the recent activities of Italy in connexion with the Spanish conflict were as important to the French people as to the Italian. The French Government had tolerated up to date frequent contradictions between Italian promises and Italian actions. They had done so because they hoped that these would not become too frequent and would not assume excessive proportions. It was for this reason that the French Government had always attached so much importance to the withdrawal of volunteers. They therefore regretted that the recent conjunction of events destroyed all remaining hope. The French Government regarded recent Italian actions and pronouncements, notably the message of Signor Mussolini to General Franco,[4] as challenges to the Non-Intervention Powers. Italy had proclaimed the violation of the Non-Intervention Agreement in the letter and in the spirit. In the view of the French Government the London Committee must be seized of this state of affairs. The Chargé d'Affaires had been instructed to make this view of the French Government plain to me and to express the official wish of the French Government that we should join with them in bringing the situation before the Committee. In their view only joint action in the Committee could compel Italy to change her attitude, to give the necessary guarantees and enter into definite assurances as to the means by which she would observe her engagements in future. The guarantees should be effective and complete and sufficiently immediate in their action to avoid equivocation and delay. If such guarantees could not be got, then the French Government would have to draw the only possible conclusion. They would have to submit to fresh examination the bases upon which the Non-Intervention Agreement rested and would have to make plain their right to full liberty of action. This policy[,] the Chargé d'Affaires emphasised to me, had been decided upon at a recent meeting of the French Cabinet.

7. I said that the French Government's communication was a grave one and would need careful consideration by His Majesty's Government. The French Government would not expect any immediate expression of opinion. At the same time there were one or two questions I would like to put. I quite understood the feelings of the French Government on reading Signor Mussolini's message to General Franco. At the same time I was not quite clear

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[4] Messages exchanged between General Franco and Signor Mussolini after the fall of Santander, following a Nationalist assault from August 14 to 26, were published in the Italian press on August 27. In his despatch No. 750 of August 30 Mr. Ingram gave the full text of these messages, which he said had been 'reproduced in black type again and again for the last four days'. General Franco thanked Signor Mussolini for the 'close collaboration and fraternity' of the 'brave legionary troops' in gaining 'one of the most brilliant and resounding victories' in the war against 'Asiatic barbarism'. Signor Mussolini replied: 'I am particularly happy that the Italian legionary troops have given, during ten days of hard battle, a powerful contribution to the splendid victory of Santander, and that such a contribution should now find—in your telegram—the coveted expression of recognition. This already close brotherhood in arms is a guarantee of the final victory which will free Spain in the Mediterranean from every threat to our common civilisation'.

what the French Government desired the London Committee to do. We were asked to join with them in submitting the position to the Committee. What actual form was our request to the Committee to take? What guarantees were we to ask for? Was the suggestion, for instance, that we should press for the immediate withdrawal of volunteers? It seemed to me that if we were merely to complain of Signor Mussolini's message to General Franco, we might be met with the reply: 'We have never denied that there were Italian nationals in Spain; all we have said is that they went there before the end of February when the Agreement came into force. Previous to that date Italian nationals went to assist General Franco, just as nationals of other nations went to assist the Government'. It was, I thought, essential that we should be clear what concrete proposals we were going to put before the Committee before we decided to ask for a meeting. M. Cambon undertook to put the point which I had made to him to his Government. I gained the impression that he too appreciated the need for a more precise statement of the French Government's objectives, but he made it clear that the French Government were deeply resentful of Signor Mussolini's recent attitude to the Spanish conflict in both word and deed. In view of this, I suggested to the Chargé d'Affaires that the French Government were probably not quite accurate in their assumption that the Italian Government's glorification of the alleged victories of their troops in Spain was directed against other Powers who were observing non-intervention more strictly. In truth I thought it intended for domestic consumption to justify to Italians the casualties which were being incurred. M. Cambon did not disagree but pointed out that though Signor Mussolini's declarations might be intended for internal consumption they nonetheless had their reactions abroad and particularly in France.

Finally I undertook to communicate again with the Chargé d'Affaires as soon as possible, as he emphasised to me how grateful the French Government would be for the earliest possible reply.

8. In the course of our conversation the Chargé d'Affaires showed me confidentially French naval records of the behaviour of Italian ships and aircraft in the Mediterranean. These showed that French merchant ships had been followed on the high seas by Italian destroyers and Italian aircraft, and though this procedure had not been carried out within French territorial waters, the number of incidents reported to the French Government showed that the close observation of the movements of French merchant ships by Italian naval and air forces had been systematic. This was certain to rouse indignation as soon as it became known in France as it must do from the reports of the French merchant ships themselves.

I am, etc.,
ANTHONY EDEN

No. 109

Letter from the Earl of Perth[1] *to Sir O. Sargent*

[*R 5928/1/22*]

KIRK HOUSE, INNERLEITHEN, *August 30, 1937*

My dear Sargent,

Very many thanks for your letter of August 27.[2] Naturally I have no objection, indeed the reverse, to postponing my return to Rome, provided Mussolini and Ciano take such a postponement in the right spirit. It would however be bad if they thought that I was placing my family affairs above the projected conversations and might make things a little difficult when I return.

When I saw the Prime Minister on Friday last[3] he told me (1) that we were to consult the French and possibly other governments as to projected action at the Assembly—incidentally he seemed to take it for granted that the Abyssinian question would be raised there. (2) that he was anxious that the Italians should not be lead [*sic*] to think that we were trying to draw back in any way—rather that we were proceeding with preparations for the talks. (3) that if Mussolini was going to see Hitler about September 27 it was highly desirable that I should have had a talk or two *before* M. left.

I entirely agreed with his points—provided always something has already passed at the Assembly, which would show that the Abyssinian question is being taken up there with the probability of a result satisfactory to the Italians.

The whole position is so complicated that I feel that far the best plan would be if I were to come down to London for one day at least, I could make it two if necessary and if the S[ecretary] of S[tate] would be available. I would propose to come down Wednesday night September 1st—talk on the 2nd and go back either that night or the night of the 3rd. Will you send me a wire about this to the address on the paper, and I should be grateful if you would add whether you think one day would suffice.

Yours ever,
PERTH

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[1] See No. 106, note 1.

[2] No. 106.

[3] i.e. August 27: Lord Perth and Mr. Chamberlain had both been guests at Balmoral.

No. 110

Comments by Mr. Eden on Note communicated by French Chargé d'Affaires on August 30, 1937[1]

[W 16584/23/41]

FOREIGN OFFICE, *September 1, 1937*

The French Government make the following suggestions for dealing with the situation in the Mediterranean and in Spain.

1. (a) Discussions at Geneva among the Mediterranean, and possibly Black Sea Powers represented there, as to the best means of assuring the protection of shipping and air services in the Mediterranean.

(b) Anglo-French support for the Turkish proposal for renewed consideration of a Mediterranean Pact.[2]

2. Reference to the Non-Intervention Committee by the French and British Governments of the latest manifestations of Italy's failure to observe the agreement, as exemplified in Mussolini's exchange of telegrams with General Franco,[3] and Italian glorification of their military prowess in Spain.

Of these proposals 1 (a) would appear to contemplate the exclusion of Italy from the proposed discussions at Geneva: while 1 (b) would appear to provide for the inclusion of Italy in the proposed Mediterranean Pact.

2. These proposals seem to be somewhat self-contradictory and require further elucidation. It rather looks as though they had been put together hurriedly in a moment of intense irritation and excitement, without the French Government having any clear idea of what they wanted. In fact it would seem that they were looking for a lead from us and when a little calmer they would be ready to fall in with any course of action we proposed, provided we showed that we knew our own mind.

3. It seems therefore necessary in the first place to ascertain from the French Government how they would propose to combine these two suggestions; do they in fact mean to include Italy in the discussion in 1 (a) or to exclude her from those in 1 (b); if not in what other way would the two proposals be brought into operation in relation to the Italian Government.

4. In addressing these further enquiries to the French Government it will be explained to them that His Majesty's Government fully share their anxieties as to the situation which is developing in the Mediterranean, and desire to see it speedily remedied. They have received reports from British

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[1] See No. 108, note 3.

[2] This proposal was raised by M. Tewfik Rüstü Aras, the Turkish Foreign Minister, with M. Ponsot, French Ambassador at Ankara, on August 24: see *D.D.F., op. cit.*, No. 351. M. Aras said that he felt the time was ripe for a reconsideration of the idea for a Mediterranean Pact which had been extensively discussed in July, 1936 (cf. Volume XVI, No. 361), and M. Delbos incorporated this suggestion in the French note of August 30.

[3] See No. 108, note 4.

ships in the Mediterranean of Italian naval and air activities which they have thought necessary to bring to the serious attention of the Italian Government on several occasions: and they intend to continue to make such representations in an increasingly urgent tone on receipt of any further reports of the kind. They believe that if other Governments having similar information from their shipping were to take similar action at Rome, the accumulated effect of such individual action would be considerable. His Majesty's Government would be prepared to give sympathetic consideration to any proposal, such as that foreshadowed by the French Government, for conversation between Mediterranean Powers at Geneva.

5. As to the Mediterranean Pact, as suggested in paragraph 1 (b), this idea has been repeatedly examined and abandoned. It has always of course been contemplated that Italy would be a member. Such a pact could take a variety of forms, ranging from a mutual guarantee treaty between all signatories to a mere non-aggression pact. In present circumstances it is difficult to imagine that it would be possible to bring about a Mediterranean Pact except in the simplest and most noncommittal form, and equally difficult to imagine that a pact containing mere generalities would contribute in any way to solve the particular problem with which we are now faced in the Mediterranean. A general Mediterranean agreement including Italy might serve a useful purpose psychologically as an apex to a previously constructed edifice of international co-operation and appeasement, but it is hard to see how it could form a basis on which such an edifice could subsequently be reared.

6. It is also desirable to obtain further information from the French Government as to the objective which they have in view in putting forward their proposal 2. Do they think that Italy is likely to be favourably influenced by Anglo-French action in the Non-Intervention Committee of the kind proposed. The ground for such action does not seem at all strong. Irritating and tactless as the Salamanca-Italian exchanges have been they do not constitute any new fact of intervention. The reply of the Italian Government would be to the effect that the Italian volunteers were notoriously in Spain well before the ban on foreign volunteers was generally subscribed to; and these mutual congratulations relate to the activities of those volunteers and to no new Italian infringements of the agreement. What then do they consider will be gained by making the proposed representations in the Committee? It is also desirable to ascertain whether French Government contemplate any modification of their policy in respect of Non-Intervention. What in that event would be the French Government's alternative policy towards the Spanish problem? It is of great importance to have some indication on this point before His Majesty's Government could agree to risk the break up of an agreement, which, however open to criticism in some respects, has had its uses and has by no means proved completely ineffective.

7. In addressing these enquiries to the French Government in regard to their own proposals it is for consideration whether it should be suggested to them that an alternative method of procedure to that put forward in 1 (a) might be for His Majesty's Government to summon a meeting of the

Mediterranean Powers signatory of the Submarine Protocol of 1936[4] to consider the dangerous situation now existing in the Mediterranean. At such a meeting proposals might be considered for ensuring the protection of shipping in the Mediterranean from attack: for making an approach to both parties in Spain, inviting them to conform to the terms of the Submarine Protocol (to which owing to the outbreak of civil war Spain has not as yet been invited to become a party) and for extending to aircraft the stipulations prohibiting attack without warning on merchant shipping. It would be difficult for any Government which was party to the Protocol to refuse to participate in such discussions, and if either of the parties in Spain declined to listen to these proposals, other measures would have to be concerted among the Powers to meet the situation. Alternatively the Mediterranean Powers at Geneva might issue such an invitation.[5]

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[4] This Protocol consisted of a *Procès-Verbal* on the rules of submarine warfare as set out in Part IV of the Naval Limitation Treaty of 1930. It was signed on November 6, 1936: see *B.F.S.P.*, vol. 140, pp. 300–1.

[5] These comments were circulated to the meeting of Ministers held on September 2: see No. 114 below.

No. 111

Record by Mr. Eden of a conversation with Mr. Chamberlain

[W 16493/23/41]

FOREIGN OFFICE, *September 1, 1937*

I spoke to the Prime Minister on the telephone this morning and reported to him recent developments in the international situation. I told him I thought it desirable to have a Cabinet on Wednesday,[1] before my departure for Geneva on Thursday. The Prime Minister agreed and will come up himself for the purpose.[2]

As regards the meeting tomorrow, Thursday,[3] I explained that one question was our shipping in the Far East, in respect of which we were to attempt to move in step with France and the United States. Another question would be the French paper submitted by Monsieur Cambon on the Mediterranean situation, which he would have seen.[4] In regard to this we proposed to discourage a reference to the Non-Intervention Committee of Mussolini's speech[5] on the ground that we did not think it would serve any useful purpose. On the other hand we did not feel it possible to refuse to discuss the Mediterranean situation at Geneva if other Mediterranean Powers so desired. The Prime Minister agreed, adding that a friendly message from Signor Mussolini[6] could not be held to justify indulgence in the conduct of which the Italians were now apparently guilty in the Mediterranean.

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[1] i.e. September 8.

[2] Mr. Chamberlain was on holiday in Scotland: see *Facing the Dictators, op. cit.*, p. 460.

[3] A meeting of Ministers had been arranged for September 2, to discuss among other subjects the proposal for conversations at Geneva between the Mediterranean Powers: cf. No. 103. See No. 114 below.

[4] See No. 108, note 3.

[5] See *ibid.*, note 4.

As regards Abyssinia, I told the Prime Minister that conditions had changed since our paper[7] had been previously discussed and in view of the French attitude, events in the Mediterranean and the anticipated attitude of other Powers, I did not consider that this paper now met the position. In the circumstances I proposed to circulate a different paper for the Cabinet on Wednesday. I mentioned that it had been pointed out to me that even if the Abyssinian matter were not considered at Geneva this September, that did not mean it would necessarily have to be put off for a year. If there were a real improvement in Anglo-Italian relations which constituted a contribution to European peace, then it would always be possible to hold a special Assembly.

A. E.

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[6] i.e. No. 81.

[7] This draft Cabinet paper of August 20 is filed at R 6095/1/22: it was superseded by No. 115 below.

No. 112

Sir N. Henderson (Berlin) to Mr. Eden (Received September 2)

No. 793 [*C 6212/136/18*]

BERLIN, *September 1, 1937*

Sir,

I requested the Military Attaché to this Embassy to be good enough to give me in writing, for my own information, prior to my forthcoming visit to London a brief appreciation of German military preparedness. Colonel Hotblack's memorandum is, however, of such interest that I beg leave to enclose a copy of it.

2. The conclusions reached by Colonel Hotblack are, firstly, that Germany is already sufficiently prepared for a defensive war; and, secondly, that by 1940 she would be ready for offensive action and, thirdly, that all things being equal, she will thereafter get progressively even stronger from the point of view of military efficiency.

3. I entirely concur in Colonel Hotblack's conclusions, which are, I consider, no less applicable to the Air Force than to the Army. My chief impression, after my first few months at Berlin, is the amazingly efficient military organisation, in its broadest sense, which is being built up in this country. Organisation is in any case Germany's forte and in General Goering the Nazi Government possess an organiser on a large scale, of immense ability and drive and with all the resources of Germany behind him. When I saw the General some five weeks ago he told me that, if England was unwilling to make friends with Germany,[1] his aim would be to make a Germany which

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[1] In a minute of September 8 referring to this phrase Sir O. Sargent wrote: '. . . this remark occurred in the conversation with General Goering when Sir N. Henderson, on instructions, had asked the General to define his grievances against Great Britain and how he proposed that they should be remedied. We are still without the General's answer. Sir N. Henderson is being asked to remind him that we are still waiting for it [see No. 141 below].'

would be strong enough to resist, if necessary, the whole world, including England. I have no doubt that that is still the Nazi ambition and so far as organisation, technical efficiency and man-power is concerned I can see but two contingencies which might prevent its realisation.

4. The first is economics and you will observe in Colonel Hotblack's memorandum that he describes raw materials, particularly metals, as the heel of Achilles of the German plan. The second is the upsetting of the whole Nazi system, which is so designed as to prepare the entire nation, female as well as male, from almost the cradle until nearly the grave, for military defence in any case and aggression, if considered desirable.

5. Things being as they are, I have no reason to anticipate the second contingency, at any rate in the immediate future. The former is a much more debatable issue, and I should not like to argue about it from an economic point of view. Generally speaking, however, the alternatives seem almost equally disagreeable. If Germany disposes of unlimited raw materials she will become overwhelmingly powerful. If she is shut off from raw materials and so finds her plans thwarted, she will certainly go to war at a favourable moment to herself, rather than remain indefinitely in a position which she would regard as one of inferiority.[2]

6. The above considerations apply to the Army and Air Force alike. The only arm in which progress continues to be limited is the Navy.

I have, etc.
NEVILE HENDERSON

ENCLOSURE IN NO. 112

Memorandum by Colonel Hotblack on German military preparedness

BERLIN, *August, 1937*

1. Both Herr Hitler and the German General Staff believe that strong fighting forces are essential to a healthy and progressive State, and without

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[2] Sir O. Sargent commented on September 8: '. . . surely the case where Germany disposes of unlimited raw materials is more dangerous to peace, if Colonel Hotblack's estimate of German ambitions is correct, than the case where she is shut off from raw materials and finds her plans thwarted? Is it necessarily certain in the latter case that "a favourable moment" for her to go to war will ever occur, if the "status quo Powers" do not quarrel among themselves? We may, I think, take it that the German military will take good care not to involve Germany in a suicidal war, however much the hotheads of the Nazi Party may clamour for desperate courses. In fact, we must be careful not to be unduly frightened by the sort of bluff implicit in Sir N. Henderson's second alternative [marginal comment by Mr. Eden: 'I agree'].'

Sir R. Vansittart, who saw the despatch on his return from the Nyon Conference, commented on September 28: 'This, like many another paper, is a very strong reinforcement for the course of keeping Germany lean until there is a change of heart. I wd. far sooner take the risk—and so shd. any man of common sense—of a hesitant because unready Germany taking the plunge in a weak condition than face the certainty of her bellicose hegemony a little later if fattened for the part—and fattened by *us*!' A note of September 29 by Mr. Caccia, Assistant Private Secretary to Mr. Eden, said that Mr. Eden had seen Sir R. Vansittart's minute and agreed with it.

progress both believe that a nation must decay. Furthermore Herr Hitler has an ardent belief in the advantages of modern equipment and progressive methods.

It is clear that at any time, therefore, in the German fighting forces of the Third Reich there will be a considerable amount of change and development taking place and that new equipment will be in course of being issued.

2. Although the German fighting forces do not appear to be being prepared for any particular time and place, there are a vast number of threads which indicate that plans are now being carried out which should be completed in 1940. It is believed that these plans involve the triplification [*sic*] of the 36 infantry divisions of the peace time Army, by the formation of 2 reserve divisions behind each regular division; it would appear that these reserve divisions will mobilize very rapidly and will be capable of offensive action. In addition to the above it is probable that there will be at least 36 further divisions composed of Landwehr (i.e. men between 35 and 45) which will be very efficient in defence of frontiers but less suitable for offensive action. It is believed that the vast amount of semi-military training outside the German Army, combined with the short periods of Army training given to men who missed their conscript service during the period when the Treaty of Versailles was in force, will enable the German Army to find adequate trained personnel for these 144 infantry divisions.

In addition to the infantry divisions there are at present 3 armoured divisions and it is certain that an increase is being made in armoured troops, but it is not clear whether these increases will be devoted towards forming more armoured divisions or whether they will be allotted to Corps for co-operation with infantry divisions. It is furthermore uncertain whether Germany's industrial resources are sufficient to enable her to duplicate or triplicate these armoured divisions on mobilization.

At the present moment the production of war material rather than the organization and training of men is the limitation of German rearmament.

Our War Office estimates that Germany at present can arm about 15 divisions a year, and if this holds good in the near future Germany would by 1940 be able to duplicate, but not fully triplicate, her 36 regular infantry divisions. It would appear that increases are being made in the facilities for the manufacture of armaments at an increased rate and that steps have been taken and are being taken to train the requisite civilian personnel. The Achilles heel of the whole plan is the purchase of metal for armaments abroad. This depends upon many factors which cannot be foreseen, i.e. whether German harvests are so poor that Devisen have to be allotted to the purchase of foodstuffs, or whether world conditions are such that materials such as iron-ore are easily available.

It appears certain that German rearmament will continue to develop after the 1940 stage has been reached (in the last war, with a similar population and far less efficient organization, Germany produced about 250 divisions).

3. The German General Staff felt the loss of military prestige in Germany, as a result of the War, as more dangerous to Germany's future than the loss of

the war itself. They have, in a somewhat unexpected way, regained their military prestige more quickly than the most optimistic had estimated, but they are nevertheless extremely anxious not to jeopardise this happy situation. Furthermore, the German General Staff places a higher value on the fighting forces of other nations than that which appears to be current in the National-Socialist Party. It seems clear, furthermore, that Herr Hitler places a very low estimate on the present capacity of other nations to combine against Germany. The estimate as to whether Germany is 'ready for war' is therefore not so optimistic in the German General Staff as it is in the National-Socialist Party.

4. From the above three general conclusions may be drawn:

(a) that Germany has already reached a stage when she is, to all practical purposes, unattackable;
(b) by 1940 German troops will be in a position to carry out offensive action outside their frontier, provided they are not faced with the prospect of a very long war or of a world combined against them.
(c) If no opportunity, which Herr Hitler considers favourable, should be forthcoming before 1940, Germany will in all probability greatly increase her fighting power, since much of the organization now taking place and training now being given will not have achieved its maximum efficiency by 1940.

5. It is inevitable that Germany's 'readiness' must depend in a great measure on that of other countries (it seems probable that the German General Staff in 1914 urged war, because the Schlieffen Plan depended upon the rapid capture of Liège and its vital communications, whereas the improvements in Belgian defences made the prospect of its capture much less favourable after 1914).

It is known, for example, that the German General Staff view with disfavour the steps now being taken to improve the defences of the Czechoslovakia frontier, and it may well be that the improvement in the fighting forces of other nations, coupled with a suitable political situation, may cause Herr Hitler to take action sooner than the state of his own rearmament might appear to justify.

No. 113

Mr. Ingram (Rome) to Mr. Eden (Received September 3, 9.30 a.m.)

No. 471 Telegraphic [*R 5980/1/22*]

ROME, *September 2, 1937, 11.45 p.m.*

My Czech colleague[1] confirms impression I had already reached that Government circles here are becoming rather nervy. There is he tells me a growing disposition to argue that Great Britain is playing for time and will ultimately find excuses for not entering on Anglo-Italian conversations which it was hoped would put relations between the two countries on a lasting basis of friendship. It is a platitude that in this country the emotions of love and hatred can cool as rapidly as they can be enflamed. They require constant stoking if they are to be kept up to the desired temperature. It may well be that during the past few weeks Anglo-Italian *détente* has not had requisite fuel to keep up the temperature achieved by exchange of letters between the Prime Minister and Signor Mussolini and nervousness to which I allude above is merely a symptom of this lack of stoking. Fleet visit to Venice[2] which is being well splashed in the press is hardly an adequate offset to postponement of Anglo-Italian conversations. It is natural too that as the fateful Geneva meeting draws closer any predisposition to nerves should be increased.

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[1] Dr. F. Chvalkovsky.

2. I have therefore been considering whether anything could be done to redress the balance. I naturally have no means of knowing how far His Majesty's Government are prepared to go at Geneva in the direction of solving the problem of *de jure* recognition. If however they are contemplating any definite line of action to that end I would *venture* to remind you of recommendations of His Majesty's Ambassador in his letter 173-35-37 of March 23rd to Sir O. Sargent[3] that he should be allowed to explain some little time beforehand our intentions confidentially to the Minister for Foreign Affairs. It goes without saying of course that His Majesty's Government could not guarantee that any line they proposed taking at Geneva would necessarily find collective acceptance there but important thing is that we should take Italians into our confidence if we are in a position to do so. This I feel sure would have steadying influence and would go far to check what seems to be a growing restlessness.

3. My Czech colleague also tells me that his light hearted enquiry of a highly placed official at Ministry of Foreign Affairs as to whether he would be going to Geneva this month elicited the surprising answer that if there was a favourable gesture at Geneva Italian Representatives might well be collaborating there before the session was out. It would be unwise to attach importance to this unless confirmed by Count Ciano himself but it is always possible that Italian Government may be contemplating procedure on lines which emerged from Monsieur Avenol's luckless visit to Rome last September—see my despatch No. 998 of September 11th.[4] If however it were the case that Italian Government would respond to a Geneva gesture in the way suggested by this official it would go far to allay European apprehensions connected with Signor Mussolini's forthcoming visit to Germany.

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[2] The First Cruiser Squadron of the British Mediterranean Fleet made a courtesy visit to Venice, September 1–7.

[3] Volume XVIII, No. 338.

[4] Not printed: cf. Volume XVII, No. 291, note 7.

No. 114

Extracts from draft notes of a meeting of Ministers held at the Foreign Office on Thursday, September 2, 1937, at 11 a.m., and continued at 2.45 p.m.

[*W 16606/23/41*]

Most Secret *September 2, 1937*

Present: Sir J. Simon (*in the Chair*); Lord Halifax, Mr. A. Eden, Mr. M. MacDonald, Mr. W. Ormsby Gore, Mr. A. Duff Cooper, Mr. L. Hore-Belisha, Mr. O. Stanley, Sir R. Vansittart, Rear Admiral J. H. D. Cunningham, Sir R. B. Howorth (Deputy Secretary).

3. *The Torpedoing of the S.S. Woodford.* The meeting was informed that a message had been received from Lloyds to the effect that the S.S. *Woodford*, a tanker of British register, had been torpedoed and sunk off the south-east coast of Spain with the loss of one killed and six injured. No further details were available at present, but it was understood that the vessel belonged to a company registered in Great Britain, which was however largely of foreign composition. . .

5. *Spain: Proposals contained in the French Note of 30th August, 1937.* The meeting had before them the despatch dated 30th August, 1937, from the Secretary of State for Foreign Affairs to Mr. Lloyd Thomas covering the French Government's Note of the same date,[1] together with the Secretary of State's Comments on that Note.[2]

The Secretary of State for Foreign Affairs pointed out that the French Note made certain suggestions for dealing with the situation in the Mediterranean and in Spain.

(a) The first proposal, paragraph 5(a), was that discussion should take place at Geneva among the Mediterranean and possibly Black Sea Powers represented there as to the best means of assuring the protection of shipping and air services in the Mediterranean.

He proposed to reply to the French Government that we agreed that discussions for this purpose should take place at Geneva among the Mediterranean Powers. Italy, of course, should be invited even though she would not be present at Geneva for the meeting of the council. He did not favour the admission of Soviet Russia to the discussion. He also proposed to inform the French Government that we had already made representations on this subject at Rome, and that we should welcome similar representations being made there by the French and other interested Governments.

The Meeting approved the action proposed to be taken by the Secretary of State for Foreign Affairs in this matter.

(b) The second proposal in the French Note was that Anglo-French support should be given to the Turkish proposal for renewed consideration for a Mediterranean Pact.[3] We were not keen on such a Pact for the reasons given in Paragraph 5 of the Secretary of State's Comments on the French Note, and he, Mr. Eden, proposed to discourage the French Government from proceeding with this suggestion.

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[1] No. 108.

[2] No. 110.

[3] See No. 110, note 2.

The meeting approved the line proposed to be taken by the Secretary of State in regard to this matter.

(c) The third proposal of the French Government was that the British and French Governments should bring before the Non-Intervention Committee Signor Mussolini's Message to General Franco on the fall of Santander.[4] The Secretary of State referred to paragraph 6 of his Comments on the French Note and stated that it was his intention to discourage the French Government from raising this matter on the Non-Intervention Committee. If the French Government desired to raise Signor Mussolini's recent exchange of telegrams with General Franco it would be much better that they should make their representations on the subject direct to Rome.

The meeting approved the line which the Secretary of State for Foreign Affairs proposed to take in regard to this proposal.

(d) THE SECRETARY OF STATE FOR FOREIGN AFFAIRS drew attention to the suggestion contained in paragraph 7 of his Comments on the French Note that we might suggest to the French Government as an alternative method to the procedure suggested by them in paragraph 5(a) of their Note that His Majesty's Government might summon a meeting of the Mediterranean Powers, signatories of the Submarine Protocol of 1936,[5] to consider the dangerous situation now existing in the Mediterranean. He, the Secretary of State, did not ask the meeting to take any decision on this point, which he thought might be reserved for consideration at the meeting of the Cabinet on September 8th.

In the course of subsequent discussion the SECRETARY OF STATE FOR DOMINION AFFAIRS pointed out that the Dominions were all signatories of the Submarine Protocol of 1936 and should, therefore, be warned at once of what was in contemplation.

The Meeting agreed:

> That the alternative suggestion contained in paragraph 7 of the Secretary of State's Comments, viz. that his Majesty's Government might summon a meeting of the Mediterranean Powers, signatories of the Submarine Protocol of 1936, to consider the dangerous situation now existing in the Mediterranean, should be reserved for consideration at the Meeting of the Cabinet on Wednesday, September 8th.

6. *The Situation in the Mediterranean with Special Reference to the Recent Attacks on British and Other Shipping in the Mediterranean.* The Meeting reviewed the most recent developments in the Mediterranean situation, including the attack by a submarine on H.M.S. *Havock* on September 1st and other recent attacks on British and foreign ships in the Mediterranean. The Meeting were reminded that these attacks on shipping were increasing in number and frequency, and that they were not confined to attacks off the south-eastern coast of Spain but occurred in other parts of the western basin of the Mediterranean, on the

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[4] See No. 108, note 4.

[5] See No. 110, note 4.

coast of Africa, in the central parts of the Mediterranean and in the Eastern Mediterranean. For example, several ships had been sunk by submarine action off the Island of Tenedos at the mouth of the Dardanelles.

The Meeting were informed of the number of submarines in the possession of the Governments of Valencia and Salamanca respectively. Even if these submarines were all in seaworthy condition—which they are not—their numbers would not suffice to account for the numerous and widespread activities of recent weeks. There were good reasons for believing that a number of Italian submarines (about 15 in all) were taking an active part in the attacks on shipping, and there was little or no doubt that the submarine which had attacked H.M.S. *Havock* was an Italian submarine. The submarine which had sunk ships off Tenedos flew the flag of General Franco, bore the letter and number C3 of a Franco submarine, but she carried two guns, whereas the Spanish submarine C3 only carried one gun.

It was incredible that the submarine which had attacked H.M.S. *Havock* had intended to attack a British naval vessel. The probability was that the submarine had mistaken H.M.S. *Havock* for a destroyer belonging to the Valencia Government. A destroyer belonging to that Government had, in fact, been sunk by submarine action in the same area a short time before. As regards the attacks on merchant shipping, there was no doubt that the Salamanca Government attached the greatest importance to preventing supplies of munitions, oil, foodstuffs, etc., reaching the Governments of Valencia and Barcelona, and that General Franco and his allies were directing all their efforts to stopping supplies reaching those Governments, whether carried in Spanish or other ships.

The Meeting were reminded that we had already on two occasions addressed strong representations to the Italian Government on the subject of attacks on British shipping, and it was suggested that the time had come when we ought to address a further and even more serious warning to that Government, pointing out that public opinion in this country was getting increasingly restive and excited at these attacks on British naval and merchant ships; that there was an increasing tendency in the British and foreign Press to attribute these attacks to Italian submarines; and that, if this state of affairs continued, it would be quite impossible for His Majesty's Government to enter upon the proposed Anglo-Italian Conversations.

The suggestion was made that we might consider giving to the Governments of Salamanca and Valencia the same right of verifying the flag, and on the same terms, as we were proposing to do in the case of Japan. In support of this suggestion it was pointed out that there had been undoubtedly much abuse of the flag in the Mediterranean, and that if a system of verification could be instituted there would no longer be the slightest justification for attacks on British shipping engaged in ordinary legitimate business. Another suggestion was that we might consider instituting a convoy system in the Mediterranean, but it was pointed out that this would be quite impracticable for various reasons and would moreover involve naval mobilisation.

The suggestion was also made that we might reinforce our destroyer strength in the western basin of the Mediterranean. To do so would go far to satisfy public opinion at home, and might well have a salutory [*sic*] effect on those responsible for the attacks on our shipping. The Meeting were warned that such strengthening could only be done by taking a destroyer flotilla from Home, and that the proposal was open to various objections, such as that an increase of destroyer strength would have little effect and would be unlikely materially to alter the situation; that if we reinforced, and if, as was probable, attacks and sinkings continued, public opinion would be highly critical; that we had no satisfactory base for destroyers operating off the south-east coast of Spain, as both Malta and Gibraltar were too far off if prompt and immediate action had to be taken. Moreover, the possibility should not be overlooked that those responsible for the attacks on our ships had really intended to attack them and had not done so merely by mistake. If so, by reinforcing we should only provide the attackers with more targets.

THE SECRETARY OF STATE FOR FOREIGN AFFAIRS informed the Meeting that the Prime Minister, to whom he had mentioned the matter, favoured the reinforcement of our destroyer strength in the Mediterranean if such a course was practicable.

THE SECRETARY OF STATE FOR WAR thought that there was considerable and growing uneasiness in the country at what appeared to be the inability of the Government effectively to deal with the situation. He thought that public opinion was dubious about a policy of repeated protests which were invariably disregarded and would like to see the adoption of a more realistic and resolute line. He would not be sorry if we abandoned non-intervention, which in his view served no useful purpose. He would reinforce in the Mediterranean and give the utmost protection to our own shipping that was possible, and he also favoured the giving of belligerent rights to both sides in Spain.

THE LORD PRESIDENT OF THE COUNCIL was opposed to our giving up non-intervention. If we did so, we should, in his view, have to face international incidents and anxieties much graver even than those now confronting us. Would it not be possible to reinforce our destroyer strength in the western basin of the Mediterranean, as was proposed, and announce that our naval authorities must be kept informed of the locality and movements of submarines belonging to both sides in Spain, and that we reserved the right to destroy any unnotified submarine whose activities made her suspect? It was pointed out, however, that this would amount to saying that we proposed to sink any submarine in the Mediterranean which did not belong to the Spanish Governments.

THE FIRST LORD OF THE ADMIRALTY was convinced that the country did not wish to be drawn into war on account of what has happening in the Mediterranean, and it was therefore the duty of the Government to do everything possible to prevent the occurrence of incidents which might lead to war. He would be prepared to approach General Franco and to tell him that we appreciated his grave objections to the misuse of the British flag,[6] and that we were prepared to give him, on conditions, the right to verify the flag. In return, of course, General Franco would have to undertake for himself and his allies that attacks on British shipping should absolutely cease. It was clear that General Franco would only agree to such a proposal after consulting with Germany and Italy and obtaining their concurrence in the arrangements.

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[6] *Note in original*: See, for example, Telegram No. 320 of 1st September, 1937, from Mr.

The Lord President of the Council favoured this suggestion, but would like to accompany it with the reinforcement of our destroyer strength in the Mediterranean.

The President of the Board of Trade hoped that care would be taken to avoid any suggestion that we were making a bargain with General Franco on the subject.

The Secretary of State for Foreign Affairs was definitely of opinion that, even if we made the arrangements suggested, the attacks on our shipping would not cease. He would be prepared to give both sides in Spain verification rights, but only on condition that we sent reinforcements to the Mediterranean.

In reply to an enquiry, he said that in the view of the Foreign Office unless there was some internal collapse on the part of the Valencia Government it was unlikely that General Franco would win the civil war much before next summer.

The Chancellor of the Exchequer thought that in the light of the attack on H.M.S. *Havock*, strong representations would have to be made to Italy, and that without saying that we were satisfied that the attack had been made by an Italian submarine we could emphasise that this view was very generally held, and that so long as the present state of affairs continued the opening of Conversations was quite impossible.

The President of the Board of Trade thought that we should be very careful in what we said to the Italians on the subject. It was just conceivable that the submarine in question might have been one belonging to the Valencia Government.

The Secretary of State for War thought that Signor Mussolini would say that the charge was a monstrous one and would withdraw his Ambassador from London.

The President of the Board of Trade thought that it would be difficult to say more to Signor Mussolini than that any Anglo-Italian conversations would be useless so long as those incidents continued, and that it was therefore impossible for us to contemplate entering upon such conversations.

In the course of discussion it was generally agreed that there would be no objection to our representations to the Italian Government being to the effect that there was a growing impression in this country that these attacks were being made by Italian ships and that so long as this impression remained the opening of any conversations would be impossible.

The Lord President of the Council hoped that the Meeting would take a decision on the question of sending more destroyers to the Mediterranean.

Thompson at Hendaye [not printed (W 16435/23/41): it referred to the suspicious origins of ships owned by newly formed companies in London and thus registered as British].

THE FIRST LORD OF THE ADMIRALTY did not think that such action would have any effect upon the Italian Government. Our destroyers for this service must be based at Gibraltar.

ADMIRAL CUNNINGHAM pointed out that there was no British port available in the Mediterranean near the areas where the attacks were taking place. Malta was 700 and Gibraltar nearly 500 miles away, and as the case of H.M.S. *Havock* had shown, it was very difficult for our destroyers sent to assist an attacked ship to arrive in time. If we had a large number of destroyers off the South-East coast of Spain the position might become very anxious in the event of Italy deciding to instruct her submarines to attack our warships owing to the exposed anchorages they must perforce use.

THE LORD PRESIDENT OF THE COUNCIL asked whether if many more destroyers could cruise off the South-East coast of Spain the number of incidents might not be much reduced.

ADMIRAL CUNNINGHAM agreed, but pointed out that this would necessitate a very great number indeed of destroyers.

After some further discussion as to the nature of the recommendations to be made to the Cabinet, the Meeting adjourned at 1.30 p.m. and resumed at 2.45 p.m.

THE CHANCELLOR OF THE EXCHEQUER suggested, and the Meeting agreed, the terms of a *communiqué* to be issued to the Press at the close of the Meeting, for the text of which see page 28 of these notes.[7]

The Committee then resumed consideration of the conclusions reached by them in regard to the situation in the Mediterranean.

THE SECRETARY OF STATE FOR DOMINION AFFAIRS said that before any action was taken in giving the Japanese and Spanish Governments the right to verify the flag, consultation with the Dominions would be necessary and careful consideration would have to be given to the wording of the proposed formula so as to avoid Dominion criticism that we might be making arrangements affecting Dominion shipping without their consent.

THE CHANCELLOR OF THE EXCHEQUER observed that if any Dominion declined to come into line the position might have to be reconsidered but that it would be as well to proceed on the basis that we should obtain the concurrence of all the Dominions.

As regards the proposal to reinforce our destroyer strength in the Mediterranean, the Chancellor of the Exchequer enquired what were the views of the Admiralty.

THE FIRST LORD OF THE ADMIRALTY said that he had had an opportunity of discussing the matter on the telephone during the luncheon interval with the First Sea Lord who had agreed that the destroyer reinforcements could be sent to the Mediterranean though he saw some objection to this being done. The First Sea Lord's objections were those which he (the First Lord) had indicated to the Meeting earlier in the discussion. He (the First Lord) was satisfied that the political arguments in favour of reinforcements outweighed the technical and other objections to so doing, and he was therefore prepared to agree to our destroyer strength in the Western Basin of the Mediterranean being reinforced by a Division of Destroyers from home, the Division to number 4 Destroyers.

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[7] Not printed: see *The Times*, September 3, 1937, p. 12.

Some discussion then took place in regard to the terms of the representations to be made to Italy, and also on the question whether simultaneously representations in similar language should be addressed to the Salamanca and Valencia Governments.

It was ultimately agreed to leave to the Secretary of State for Foreign Affairs further consideration of the question whether it was necessary or desirable to address to the Valencia and Salamanca Governments, or to either of them, representations similar to those which were to be sent to the Italian Government.

(The Lord President of the Council left the Meeting at this point in order to catch a train.)

After a brief discussion as to the replies which might be given by the Press Department of the Foreign Office to enquiries made as to what action the Government proposed to take in regard to recent attacks on British shipping, the Meeting agreed to adopt the following conclusions:

(1) That the Destroyer strength of the Fleet in the Western Basin of the Mediterranean should be forthwith reinforced.

(2) To recommend to the Cabinet that in order better to ensure the protection of British shipping in the Mediterranean, we should announce our readiness to give both sides in Spain the opportunity to examine ships to verify their national character on the same lines as is proposed in the case of British ships in Chinese Waters under the formula in Conclusion 1 (1) above.

(3) To take note that before action under (2) above is taken, it would be necessary to consult with the Dominions, and careful consideration would have to be given to the wording of the proposed formula (both as regards its application to ships in the China Seas and in the Mediterranean) so as to avoid Dominion criticism that we might be making arrangements affecting Dominion ships without their consent.

(4) To approve the proposal of the Secretary of State for Foreign Affairs that further urgent representations should be made forthwith to the Italian Government in regard to recent submarine attacks on British shipping in the Mediterranean. That while we should not accuse Italy of these attacks, we could point out the increasing tendency of public opinion, both here and on the Continent, to attribute these attacks to Italian submarines and warn the Italian Government that a continuance of these incidents would make it most difficult, if not impossible, to open the proposed Anglo-Italian Conversations.

The Meeting took note that the Secretary of State for Foreign Affairs would obtain the Prime Minister's concurrence in what was proposed, and also in the text of the communication to the Italian Government.

It was agreed to leave to the Secretary of State for Foreign Affairs for further consideration the question whether it was necessary or desirable to address similar representations to the Valencia and Salamanca Governments, or either of them.

(5) It was agreed that in reply to Press enquiries as to what action the Government proposed to take in regard to the attacks on H.M.S. *Havock* and the S.S. *Woodford* it could be stated that the circumstances of these incidents were still under examination and consideration. Reference could also be made to the decision to reinforce the Destroyer strength in the Western Mediterranean.

7. *Relations with the Salamanca Government.* The Committee had before them a Memorandum by the Secretary of State for Foreign Affairs (C.P. 207(37)) covering a Memorandum by the Foreign Office regarding our relations with the Salamanca Government and stating that he (the Secretary of State) had discussed with the Prime Minister the general lines of the proposal made therein for an exchange of agents, and that the Prime Minister was in agreement.[8]

THE SECRETARY OF STATE FOR FOREIGN AFFAIRS informed the Meeting that in view of recent developments in the Mediterranean he thought it desirable that the consideration of the proposals in C.P. 207(37) should be deferred until the Meeting of the Cabinet on Wednesday, September 8th.[9]

THE PRESIDENT OF THE BOARD OF TRADE suggested that if before the Meeting of the Cabinet next week the present views of the Secretary of State in regard to the point underwent any change he (the President of the Board of Trade) might be informed.

THE SECRETARY OF STATE FOR FOREIGN AFFAIRS assented to this suggestion.

The Meeting agreed:

That the Memorandum by the Secretary of State for Foreign Affairs (C.P. 207(37)) entitled 'Relations with the Salamanca Government' should be placed on the Agenda for the Meeting of the Cabinet on Wednesday, September 8th.

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[8] In this paper (W 16115/1/41), circulated to the Cabinet on August 25, Mr. Eden explained why he considered it advisable to inform General Franco that His Majesty's Government were prepared to accept an agent of his in London in exchange for the establishment of a British agent at Salamanca.

[9] See No. 143 below.

No. 115

Memorandum[1] *by Mr. Eden on the present phase in Anglo-Italian relations, and the question of the final recognition of Italian sovereignty in Abyssinia*

[*R 6096/1/22*]

Secret FOREIGN OFFICE, *September 2, 1937*

Introduction: Historical

It had been hoped that the joint declaration signed by the United Kingdom and Italy on the 2nd January last[2] would have ushered in a new and better phase in Anglo-Italian relations. This hope has not been fulfilled. An atmosphere of suspicion and misunderstanding between Italy and the United Kingdom has unfortunately persisted.

The continuance of this mutual suspicion led me to circulate, on the 15th June, to the Committee of Imperial Defence a memorandum entitled 'Probability of War with Italy,'[3] in which I put forward considerations to show that the formula on which we had been basing our defence preparations in regard to Italy, viz., that 'Italy cannot be counted on as a reliable friend, but in present circumstances need not be regarded as a probable enemy,' no longer held good. On the 5th July, the Committee of Imperial Defence decided to recommend to the Cabinet that the formula should read 'that Italy cannot be considered as a reliable friend and must be omitted from the decision of the Cabinet on the 15th November, 1933, which says "no expenditure should for the present be incurred on measures of defence required to provide exclusively against attack by the United States, France or Italy".'[4] This formula was approved by the Cabinet itself on the 14th July.[5]

For some time past the Chiefs of Staff had been preoccupied with the importance, from the military point of view, of the restoration of our former friendly relations with Italy. In July 1936 they reported, for example, as follows: 'From the strategical point of view, the first desideratum is a secure Mediterranean. This involves, as a primary consideration, the restoration of our former friendly relations with Italy.'[6] As recently as the 12th August they stated in a report: 'As a general proposition, anything which can be done at the present time to improve Anglo-Italian relations would be of the greatest advantage from the military point of view.'[7] In the Review of Imperial Defence which they prepared in February 1937 for use at the Imperial Conference, they again stated 'better relations with Italy should be our constant aim,' and, later on in the same Review, 'our communications through the Mediterranean can only be made really secure either by maintaining friendship with Italy or by establishing ourselves in such military strength in the Mediterranean as would permanently deter Italy from embarking on war against us.'[8]

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[1] Circulated to the Cabinet as C.P.210(37).

[2] See Volume XVII, No. 530.

[3] Volume XVIII, No. 615.

[4] See No. 15 above.

[5] See *ibid.*, note 15.

[6] See Volume XVII, No. 35.

[7] See No. 91 above.

[8] Volume XVIII, Appendix I.

It will thus be seen that in the view of the Chiefs of Staff an early restoration of friendly relations between the two countries is of great importance.

At the same time reports from many sources that Italy was apprehensive that this country harboured feelings of revenge towards her led me to make a speech in the House of Commons on the 19th July, in the course of which I stated that, while His Majesty's Government were determined to defend their own interests, they had no intention of challenging those of others. That was why His Majesty's Government had concluded the declaration of January last. They stood by that agreement, and there was room in the Mediterranean for all. I added that this country had no intention 'of pursuing towards any other country a policy either of aggression or of revenge . . . the word "vendetta" has no English equivalent.' His Majesty's Government wished to live in peace and friendship with their neighbours in the Mediterranean.[9]

On the 21st July I had a conversation with the Italian Ambassador, in which the latter said that the speech I had made in the House of Commons on the 19th July had had an excellent press in Italy.[10] The situation seemed to be so much easier that he hoped the moment had come to communicate a message to the Prime Minister which Signor Mussolini had authorised him some time ago to make use of at his discretion. He then told me what Signor Mussolini had said. The Duce had emphasised his desire for permanent friendship with Great Britain. He regarded the agreement of the 2nd January as the frame, but the picture had yet to be filled in. He hoped that this would be done by further understandings defining closer relations between the two countries. Signor Mussolini had instructed him to repeat what had already been said many times, namely, that the Italian Government had no political ambitions whatever in Spain, still less, of course, any territorial ambitions. On the other hand, the Italian Government believed in General Franco, and desired his victory in order that Spain might be saved from the Bolshevik menace. He ended by saying that Signor Mussolini was at all times ready to discuss any proposals to further the interests of the two countries.

The following day, the 22nd July, Count Grandi went to see the Secretary of State for War.[11] He brought a message from Signor Mussolini, in his capacity as Minister of War, the gist of which was that Italy and His Majesty's Government should agree to disclose to each other the nature of their defences in the Mediterranean area, the implication being that confidential relations should be established between the General Staffs. If such an agreement could be made, Count Grandi said, Italy would feel that she had a line of escape from 'the Germanic menace' and a relationship of the character suggested would, from a military point of view, make for a re-establishment of the Stresa front. Count Grandi recalled the Protocol of the Triple Alliance, under which Italy was relieved of the necessity of entering a war against His Majesty's Government. The above proposals, Count Grandi added, were put forward as a result of personal correspondence with Signor Mussolini, although there seems some reason to suppose that Count Grandi himself may be responsible for the actual form of the proposals. Meanwhile, the suggestion for an exchange of military information has been examined by the Chiefs of Staff, who are ready to entertain it within certain limits. (Report of Chiefs of Staff—C.I.D. Paper No. 1347B.)[12]

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[9] See No. 48, note 4.

[10] See No. 56.

[11] See No. 58.

On the 27th July Count Grandi delivered Signor Mussolini's message to the Prime Minister.[13] As a result of that interview, the Prime Minister wrote a letter to Signor Mussolini, in which he welcomed the message sent him and assured him that His Majesty's Government were actuated only by the most friendly feelings towards Italy and would be 'ready at any time to enter upon conversations with a view to clarifying the whole situation and removing all causes of suspicion or misunderstanding.'[14] Signor Mussolini replied to this letter on the 31st July stating that he was glad to agree with the suggestion that 'conversations be entered upon in the course of which would have to be examined, in a spirit of sincere collaboration, those questions which still await a solution, in order to ensure the understanding we desire to re-establish between our two countries.'[15]

When delivering, on the 27th July to the Prime Minister, Signor Mussolini's message and again on the 2nd August, when delivering to Mr. Chamberlain Signor Mussolini's reply to his letter, Count Grandi stressed the immense importance Signor Mussolini attached to the *de jure* recognition of Italy's position in Abyssinia. On the first of these occasions the Prime Minister replied that *de jure* recognition would give rise to very strong hostile criticism in this country. Such action could only be justified if His Majesty's Government could describe it as part of a great scheme of reconciliation which should remove suspicions and anxieties and lead to a restoration of confidence. For this purpose, the Prime Minister went on, a great deal more would be required than *de jure* recognition; His Majesty's Government would want to know why the Italian Government were sending an army corps to Libya and why the Italian press and wireless continued to abuse the United Kingdom. On the second occasion Count Grandi called the Prime Minister's attention to a press extract which stated that unless the Abyssinians were to send a delegation to Geneva or unless there was a special request to discuss the subject by one of the Governments at Geneva, there was no reason why it should be raised. The Ambassador stated that if the matter was not raised in September and the way thus free for Governments ultimately to recognise the Italian conquest *de jure*, 'he was afraid nothing further could be done for another year[']. On his side, Count Ciano informed His Majesty's Ambassador in Rome on the 3rd August that 'of course, the foundation for conversations would be and was the *de jure* recognition of Italy's sovereignty in Abyssinia.'[16]

General Considerations

The importance which Signor Mussolini attaches to a formal recognition of his conquest has been confirmed from many different sources in the last few months. He has, for instance, consistently refused to allow the representatives of foreign countries to present letters of credence which do not include the words 'Emperor of Abyssinia' after the words 'King of Italy,' with the result that no less than seven countries are at present represented by Chargé d'Affaires in Rome. It may be argued that the value he attaches to such formal recognition is a disproportionate one, but it is known that he is particularly anxious to avoid a repetition of the Manchukuo precedent (see below), under which recognition has been indefinitely withheld, and that he regards formal recognition as of importance in connexion with the final pacification of his newly acquired East African territory. It may be interpolated here that, in the view of the War Office, the whole of Abyssinia is now in the effective occupation of the Italians, and that, failing external circumstances, their hold in that country is unlikely to be seriously threatened.

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[12] No. 91. [13] See No. 64. [14] No. 65. [15] Enclosure in No. 81. [16] See No. 82.

It should perhaps be mentioned here that His Majesty's Government granted *de facto* recognition as long ago as last January when they withdrew their Legation from Addis Ababa and instituted a Consulate-General in its place. It should also be remembered that five countries, namely, Austria, Hungary, Germany, Switzerland and San Marino have already accorded full *de jure* recognition and that the following countries have taken action which might be regarded as according such recognition by implication: Chile, the Argentine, the Holy See, Yugoslavia, Albania, Guatemala and possibly Poland.

The position may now be summarised as follows:

The objective of His Majesty's Government is, as always, the general appeasement of the European situation, the chief disturbing factors in which are the two dictatorship countries Germany and Italy. Hitherto all attempts to get to closer quarters with Germany have failed and for the moment nothing more can be done in that quarter. In the case of Italy, however, my speech quoted above opened the way, and the correspondence between the Prime Minister and Signor Mussolini which followed it created momentarily at least an atmosphere favourable to further conversations. Even, however, if formal recognition of the position of Italy in Abyssinia were contemplated, there would be no question of condoning acts of violence and bad faith by which Italy entered upon her conquest. But it would in any event be unnecessary to excuse these acts or to retract any resolutions already come to by the League. Indeed, it would be desirable, whenever the League was prepared to recognise the fact that Abyssinia had ceased to be an independent State, that the League should explicitly declare that no retraction from its previous attitude was implied. The important point in the view of the Italian Government is that the League should clear the way for the formal recognition of the facts by individual States if they so desire.

It is recognised that any idea of according formal recognition of Italy's conquest of Abyssinia will be bitterly opposed both by the official Opposition and by many devoted adherents of the League in this country.

It is therefore of the first importance that, if the course of recognising that Abyssinia has ceased to exist as an independent State is pursued, it should be properly presented, namely, as a contribution to the general pacification of Europe and not, as no doubt some critics will try to present it, as a nefarious bargain by which Italy gains our assent to her wrong-doing in return for material advantages to ourselves. Some advantages we shall gain no doubt, but the most important of them are not confined to the United Kingdom, but apply equally to all countries interested in the peace of Europe.

The position, however, has undoubtedly been complicated in recent weeks by the activities of Italian submarines in the Mediterranean and by the intense irritation created by Signor Mussolini's message to General Franco on the fall of Santander.[17] The records of my conversations with the French Chargé d'Affaires on the 30th August, the 2nd and 3rd [*sic*] September[18] have been circulated. They show that we can count on little help from the French Government unless in the interval Italy herself makes a contribution to peace by abandoning her piratical acts in the Mediterranean.

Much, therefore, will depend upon the meeting of the Mediterranean Powers summoned for the 10th September at Geneva.[19] We have insisted that Italy should herself be invited to this meeting, and we are in process of working out concrete proposals which, if they are accepted, should enable us to deal with the present situation. We have done our best to ensure that these proposals are such as Italy can reasonably accept, and would, in fact, give her a dignified means of retreat from her previous policy. If Italy is prepared to make the moderate contributions which will be asked from her, and if, as a consequence, there is an improvement in the Mediterranean situation, the problem of Abyssinia's representation at Geneva, though still difficult, would assume much less formidable proportions. For instance, it may be taken for granted that if France saw a real chance of Mediterranean appeasement, she would be quite willing to make a contribution in the shape of recognising what are the facts of the Abyssinian situation. The attitude of the other Mediterranean Powers is likely to be similar. If, on the other hand, Italy refuses co-operation and rejects the proposals for meeting the submarine menace, then I fear that unless anything unforeseen happens there must inevitably be increased resentment at such an attitude. In such an atmosphere a proposal which, though it might in effect do no more than give an expression to the realities of the situation, would be interpreted as being friendly to Italy, would meet with very strong opposition. In consequence, I would only suggest to my colleagues that the United Kingdom Delegation at Geneva shall be given a certain latitude in the situation; the objectives for which we would work would be to bring a successful issue to the conference of the Mediterranean Powers, to endeavour to make of such an issue the occasion for a real *détente* between Italy and France if this can be secured, when the co-operation of France and other Powers in finally resolving the Abyssinian problem should be forthcoming, and, together, we should be able to take a further step towards the final liquidation of the Abyssinian deadlock.[20]

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[17] See No. 108, note 4.

[18] See No. 108, and Nos. 116 and 120 below.

[19] Cf. No. 123 below.

[20] After a long minute by Sir O. Sargent of August 26 suggesting some amendments to the

I attach as annexes notes regarding the procedure at the meeting of the Assembly and the objectives of the Anglo-Italian conversations.

A. E.

ANNEX I TO No. 115

Procedure at Meeting of Assembly of the League of Nations

The present attitude of His Majesty's Government

On the 28th July the Secretary of State for Foreign Affairs was asked in the House of Commons whether an assurance could be given that it was still the intention of His Majesty's Government to refuse recognition of the annexation of Abyssinia by Italy, or of the assumption by the King of Italy of the title of Emperor of Abyssinia. The Secretary of State replied that it was not possible for him to make a pronouncement on an issue which had not been raised and which if it were raised would be a matter to be considered by the League as a whole. Pressed for an assurance that there would be no initiative on the part of the Government to alter that policy until the House of Commons had had an opportunity of discussing it, the Secretary of State repeated that this was a matter for collective decisions.[21] It may be recalled that Mr. Baldwin said in the House of Commons on the 23rd June, 1936, in reply to a question whether His Majesty's Government intended to condone Italy's action: 'The answer to that is "No"; and in so far as it deserves recognition, I would emphasise that His Majesty's Government have no intention at the forthcoming meeting (i.e., July 1936) of the League to propose or assent to the recognition of Italy's annexation of Abyssinia.'[22]

The Course of Action at Geneva

There are two cases to consider:

(*a*) If an Abyssinian Delegation presents credentials, the question will automatically be raised. In this event His Majesty's Government should press for the constitution of a strong Credentials Committee on which they and other leading Members of the League should be represented.

(*b*) If an Abyssinian Delegation is absent, some special action will be necessary. It will be preferable in that case to raise the question by a collective initiative in which His Majesty's Government would participate.

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earlier draft of this paper (see No. 111, note 7), Mr. Eden wrote the following minute. 'I agree with Sir O. Sargent's minutes and am myself apprehensive that these conversations may arouse too great hopes. There is no doubt that many of my colleagues believe that we can reach, and that fairly soon, a state of relations with Italy that will justify our relaxing our re-armament effort. I am convinced that Italian policy is too untrustworthy for this to be possible. We will discuss these minutes on Monday (August 30). A.E. Aug. 28.'

[21] See 326 *H.C. Deb.* 5 *s.*, cols. 3074–5.

[22] See 313 *H.C. Deb.* 5 *s.*, col. 1723.

Possible Difficulties at Geneva

(*a*) While a number of States are believed to favour an early settlement of the question of the position of Abyssinia, other States, e.g., Russia and Mexico, would be likely to make difficulties about *de jure* recognition, and the New Zealand Government have already informed His Majesty's Government that they would be definitely opposed to it.

(*b*) Some small countries may be unwilling to agree to a decision that Abyssinia is no longer a Member of the League, in view of the possible bearing of such a decision on future disputes in which they personally might be involved.

(*c*) In the course of the Sino-Japanese dispute the Assembly adopted, on the 11th March, 1932, a resolution in general terms declaring 'that it is incumbent on Members of the League of Nations not to recognise any situation, treaty or agreement which may be brought about by means contrary to the Covenant of the League of Nations.' By this resolution the League adopted the doctrine of non-recognition which had been propounded by Mr. Stimson, the United States Secretary of State. At the same period the members of a Committee of the Council which had been appointed to follow the Sino-Japanese dispute made an appeal to the Chinese and Japanese Governments, in which they stated 'that no infringement of the territorial integrity and no changes in the political independence of any Member of the League brought about in disregard of Article 10 of the Covenant ought to be recognised as valid and effectual by the Members of the League of Nations.' On the 16th December, 1936, the Secretary of State informed the House of Commons, in reply to a question, that His Majesty's Government adhered to the principle enunciated in this appeal, which was made in connexion with the particular case of the Sino-Japanese dispute, but in its application to any case His Majesty's Government must be entitled to take account of the facts of the situation and of the necessity, where the protection of British interests was involved, of dealing with the actual authorities on the spot.[23] Any such action on their part did not imply approval of the methods by which the situation was brought about. It is no doubt possible to adopt the same attitude in regard to the resolution of the Assembly, but it is not certain that other Members of the League, particularly certain South American countries, would be prepared to take the view that this resolution applied only to the particular case of Manchukuo. No resolution regarding non-recognition has been adopted by the League in the case of the Italo-Abyssinian dispute, but, in its resolution of the 4th July, 1936,[24] the Assembly declared that it remained firmly attached to the principles of the Covenant, which are also expressed in other diplomatic instruments such as the Declaration of the American States, dated the 3rd August, 1932 excluding the settlement of territorial questions by force. It may be contended that, while the hands of League Members are not tied in regard to the question of recognition in the present case as they were in the case of the Sino-Japanese dispute, any decision taken by the Assembly may not be without eventual influence on the question of Manchukuo. Recent developments in the Far East, which indicate the possibility that a situation similar to that in Manchukuo may be produced in the Northern provinces of China, naturally increase the significance of the point, but a distinction can, in fact, be drawn between the cases of Manchukuo and Abyssinia. Manchukuo was not in form conquered, but detached from China, and its recognition would imply not the recognition of Japanese sovereignty over it, but of the sham sovereignty of a puppet State. Further, China still exists and asserts her claim to sovereignty over Manchukuo, and may hope one day to re-establish her rights. In Abyssinia there has been a conquest, and there is no question of a recovery of Abyssinian authority or of rival claims.

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[23] See 318 *H.C. Deb.* 5 *s.*, col. 2432.

[24] See Volume XVI, No. 395, note 5.

ANNEX II TO NO. 115

Objectives of Anglo-Italian Conversations

So far as the Italians are concerned, our indications are that they expect us to supply the agenda for these conversations, although the Italian Minister for Foreign Affairs is reported to have stated that he expected the conversations to cover Arabia, Red Sea and Indian Ocean affairs, and that as regards the Mediterranean, the January declaration covered the ground.

On our side the main object of the conversations should be to ensure a general improvement in the relations between the two Governments, and in particular the cessation of tension in the Mediterranean area. In particular, His Majesty's Government would desire to obtain from the Italian Government a re-affirmation of their pledges, already given, regarding the maintenance of the status quo in Spanish territories, an assurance that all Italian volunteers will be withdrawn from Spain simultaneously with the withdrawal of volunteers on the Government side, and meanwhile to secure the evacuation of all Italians from the Balearic Islands. Secondly, to obtain an assurance that the Libyan garrison shall not exceed the 1934, i.e., normal, strength.

We should expect the conversations to fall into two parts, the first dealing with Mediterranean and Near Eastern questions and the guarantees with regard to Abyssinia which the Italians might be disposed to give in return for *de jure* recognition; and the second dealing with matters connected with Abyssinian frontiers and British rights and interests in that country. As regards the former category, the subjects to be discussed should be, in addition to Spain and the Libyan garrison already mentioned:

(*a*) The exchange of military information[25];

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[25] *Note in original*: The Chiefs of Staffs have already expressed preliminary views on this point (see their report of the 12th August, C.I.D. Paper No. 1347B [No. 91]), but if it is decided to proceed with this proposal it will be necessary to consult them further regarding their *desiderata* for these conversations, bearing in mind the possibility that the Italians might, in reply to any request on the part of His Majesty's Government, put forward a reciprocal demand and thus possibly raise the issue of an arms limitation agreement.

(*b*) The Bari broadcasts and anti-British propaganda generally in the press and elsewhere;

(*c*) Italian activities in the Near East, with particular reference to the Yemen and the Red Sea area;

(*d*) The possibility of obtaining some assurances from the Italian Government that there should be no derogation from approved methods of colonial administration in Abyssinia, on the lines of the communication of the Italian Minister for Foreign Affairs to the League on the 27th June, 1936.[26]

The Abyssinian questions consist of the negotiation and conclusion of various agreements regarding the frontiers between Abyssinia on the one hand and Kenya, the Sudan, and British Somaliland on the other, and in regard to Lake Tsana and British rights and interests in Abyssinia generally. These agreements will naturally take some time to negotiate, and Sir E. Drummond would require expert assistance during the negotiations.

It should, however, be repeated that these detailed points relating to the Anglo-Italian Conversations are dependent on some prior action by the League which may tend to facilitate the granting, by His Majesty's Government and other Governments, of *de jure* recognition of the annexation of Abyssinia. This, in turn, is dependent on the atmosphere at Geneva, which must be governed by the events which may occur in the world in the fortnight which still separates us from the meeting of the Assembly. The events of the last four weeks are not encouraging. Signor Mussolini's telegram to General Franco on the occasion of the fall of Santander has undoubtedly embittered the situation. So has the action of Italian submarines against foreign merchantmen in the Mediterranean. The latter, at any rate, is to be raised at the Spanish request before the Council of the League, which meets on the days preceding the meeting of the Assembly. Things may be said there which may greatly exacerbate the position and destroy any possibility of recognition. The immediate future has never been more fluid and incalculable. It may, in the course of the next few days, become either better or worse. It is therefore impossible to say definitely what action it may be practicable to take at Geneva. While, therefore, recognising the desirability of settling this question of recognition at the present Assembly, if possible, I ask my colleagues for authority to use discretion in deciding what action at the Assembly is feasible and the manner in which such action should be initiated and carried out.

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[26] Cf. Volume XVI, No. 390.

No. 116

Mr. Eden to Mr. Lloyd Thomas (Paris)

No. 1701 [*W 16521/23/41*]

FOREIGN OFFICE, *September 2, 1937*

Sir,

I asked the French Chargé d'Affaires to come and see me today, when I stated that on the 30th August M. Cambon had left with me a note[1] setting forth a number of points on which the French Government desired our view. First, the French Government proposed that there should be discussions at Geneva among the Mediterranean, and possibly the Black Sea Powers represented there as to the situation which had arisen in the Mediterranean. We ourselves shared French anxieties as to that situation and were willing to take part in such consultation. We were inclined to the view that at the outset the discussions had better be limited to the Mediterranean Powers. The French Government had also mentioned that the Turkish Government were likely to suggest discussions of their proposal for a Mediterranean pact. In our view such discussion would be of doubtful utility at this moment, since if a pact were to be of real service, it must be negotiated in an atmosphere of peace and understanding, such as I feared could hardly be held to prevail in the Mediterranean at the present time.

2. The French Government had raised another very important question with us, when they had asked whether we would join with them in referring Signor Mussolini's message to General Franco on the fall of Santander[2] to the Non-Intervention Committee. We ourselves were doubtful of the utility of such a course, unless the French Government had clearly in mind the objectives they hoped to realise by so doing. I mentioned to the Chargé d'Affaires, though I asked him to take special precautions to make sure that this information was not made public, that we had already spoken to the Italian Government on the subject of submarine activity in the Mediterranean.[3] Inevitably the terms we had used had been general, since we could not prove the use of Italian submarines whatever we might suspect. Since we had spoken to the Italians on this subject, there seemed to me considerable utility in the French Government speaking to the Italian Government through the diplomatic channel also on the subject of the message to Salamanca. As regards the Non-Intervention Committee, we thought it important that before making any approach to that body, we should be very clear what we desired to do and more especially what was our attitude to the non-intervention policy as a whole. Did the French Government desire any modification of this policy? Did they wish to bring non-intervention to an end, and if so what alternative policy had they in mind to put in its place?

3. Monsieur Cambon replied that he would put these points to his Government. He fully appreciated their significance, at the same time it

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[1] See No. 108, note 3.

[2] See *ibid.*, note 4.

[3] See Nos. 100, 102, 104.

would help him if he could give an appreciation of H.M. Government's attitude on the question of the continuance of non-intervention. I replied that while I realised that recent events had made it desirable that we should all carefully reconsider the situation, I was still reluctant to give up non-intervention unless I was quite clear as to the alternative policy which was possible and was in agreement with the French Government as to the pursuit of such a policy.[4]

I am, etc.,

ANTHONY EDEN

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[4] The following two notes by Mr. Hoyer Millar, both dated September 2, are attached to the filed copy of this despatch. 'Secretary of State. M. Cambon telephoned with reference to his conversation with you this afternoon, to say that he had quite forgotten to ask you one question in regard to your remarks about a meeting at Geneva of the Mediterranean Powers. He wanted to know whether your idea was that this meeting should be restricted to the Mediterranean Powers or whether it should also include the Black Sea Powers. He would be grateful for an answer on this point as soon as possible.'

'On S. of S. instr[uction]s I have inf[orme]d M. Cambon that it was S. of S.'s feeling that it would be preferable in the first place to confine the meeting to the Mediterranean Powers; it was however a matter of detail on procedure which could best be discussed when everyone had got to Geneva.'

No. 117

Letter from Sir O. Sargent to Sir G. Knox[1] *(Budapest)*

[*C 6216/270/18*]

FOREIGN OFFICE, *September 2, 1937*

Dear Knox,

As you are no doubt aware the accusation is not infrequently made in Germany that His Majesty's Government are standing in Germany's way and are trying to block, not only the spread of her political influence, but also her economic activity in those countries in Central and S.E. Europe which she tends to regard as her special sphere. Thus, for instance, Goering spoke to Henderson in May last[2] of the danger of allowing the German people to continue indefinitely to regard England as the enemy in their path. As you will have seen from the print, Henderson has taken this accusation up with Goering,[3] but it is not in this quarter alone that such accusations are made. In his telegram No. 134[4] of the 18th June Henderson reported that Neurath had told him that during his tour in Central and S.E. Europe he had met 'with considerable underground hostility from the French and the Czechs, and to a certain extent from British sources'. More recently still we heard from a reliable source that in German official and business circles complaints were being made that Great Britain is actively organising obstruction to the growth of German influence in Balkan and Danubian States. It was suggested that this country had changed its policy of aiming at nothing much beyond the maintenance of tranquillity in these countries and that by offering more advantageous financial terms we were trying to check Germany's attempts to find sources of raw materials and markets for her manufactured goods in Central and S.E. Europe. It was further suggested that it is you yourself who, as a result of your determination to check the expansion of German interests, are one of the chief promotors [*sic*] of the campaign to block German economic efforts in those regions.

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[1] H.M. Minister at Budapest.

[2] See Volume XVIII, No. 538.

[3] See No. 52 above.

[4] Not printed.

The flimsy or false grounds on which the German grievances are based go to show that certain quarters in Germany are resolved, for internal political reasons, to make Great Britain appear her Public Enemy No. 1. None the less, the Secretary of State has asked that you should be warned to be especially careful in what you say so as to give no handle to German grievances. 'We have', he wrote, 'no wish to interfere with German trade relations with the Danube countries'.

I had hoped to show you this paper when you were on leave, but as you have now returned to Budapest I am sending you this letter instead.[5]

[5] Concluding salutation omitted from the filed copy of this letter.

No. 118

Notes by Dr. Jäckh[1] of a conversation with Dr. Woermann

[C 6301/3/18]

September 2, 1937

German British policy: Hitler is now so disappointed by the failure of German-British negotiations that he goes so far as to give up any hope of any political arrangement with England. He likes to point to his British policy as set out in his book *Mein Kampf* and to maintain that this is really his sincere policy but that it is now altogether rejected by Great Britain.

As to Ambassador von Ribbentrop: He has now learned that a British Neutrality Pact giving free hand to Germany in Central Europe and South East will *not* be obtainable and therefore he will concentrate his efforts on building up an atmosphere that could in any case of German-European events encourage such a British attitude which from the very outset would not oppose any German action.

The Prime Minister Neville Chamberlain seems to make a new start for British German understanding. (Woermann himself: 'The Austrian and the Czek [*sic*] situations cannot be considered as permanent just as they are. The

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[1] Former Head of the German League of Nations Union, now (1937) living in England and working for the Rockefeller Peace Foundation. He often gave to the Foreign Office accounts of his conversations both with German Embassy staff in London, and with leading personalities in Germany, especially Dr. Schacht. See, for example, Volume XVII, No. 185, and Volume XVIII, No. 59.

Czek State with 3 million Germans is not a creation of God'.) Italy could expand in Abyssinia and Japan in China, but where can Germany expand? In any case British diplomatic language will be different from to-day when the British rearmament program will be carried out—in about two years.

Geneva? Must and will be destroyed as a political machinery. It will always act against Germany. Although the British Foreign Office seems to stick to Geneva, British public opinion, particularly among the conservative party, is obviously more and more against Geneva since the Abyssinian experience.

Spain? German participation unfortunate; will withdraw more and more. The war may still go on for a long time without any decision on either side and with the probability of a third party coming to power at the end. The new scheme before the Non-Intervention Committee concerning the practical naval policing is quite reasonable and appears feasible because it is 'depoliticalised'. British attitude has so far shown exemplary patience.

Mussolini? Although Ambassador Grandi spreads news of a British initiative for British-Italian conversations, German circles are convinced of the contrary, i.e. that Mussolini has initiated the recent pourparlers.

German domestic policy: Besides Hitler, General Göhring [*sic*] becomes more and more the only central party-authority and will be some day the official deputy leader according to the famous Hindenburg Testament that provided for such an arrangement (see my report on Count Bernstorff's and Ex-Ambassador's von Prittwitz' similar statements).[2]

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[2] Not printed. In a minute of September 7 Sir O. Sargent remarked: 'This is the third time that Dr. Woermann has spoken of von Ribbentrop's policy of the neutralisation of Great Britain in respect of German expansion in Europe. Presumably when he here speaks of a "British neutrality pact", what he has in mind is the German version of the new Locarno. In fact, as we have always suspected, Germany's real object in negotiating a new Locarno was that she hoped by this means to confine Great Britain's interests and rights of interference in Europe strictly to Western Europe. It is to be noted that Grandi is spreading the view that H.M. Government took the initiative in proposing Anglo-Italian conversations.'

No. 119

Mr. Eden to Sir G. Ogilvie-Forbes (Berlin)

No. 1104 [*W 16812/16618/41*]

FOREIGN OFFICE, *September 3, 1937*

Sir,

The German Chargé d'Affaires came to see me to-day when he asked me if I could give him any information as to the conference of the Mediterranean Powers to deal with the incidents which had occurred in that sea.[1]

2. I told Herr Woermann that, as he would be aware, the French

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[1] It was widely reported on September 3, particularly in the British, French, and Italian presses, that the British Government had within the last few days accepted the French Government's suggestion for a conference at Geneva to consider the recent sinkings in the Mediterranean. See *The Times*, September 3, 1937, p. 12.

Government had approached us with the suggestion and we had accepted it. We had been the more ready to do so in view of our conviction that the present state of affairs could not be allowed to continue. We hoped that by international co-operation we should be able to bring it to an end.

3. Herr Woermann asked me whether it was our intention to invite Germany. I replied that, while we should welcome German co-operation at all times, the present intention was to confine the matter strictly to Mediterranean Powers. It was clear, however, that if a departure were made from this principle we should have to consider what other Powers were to be included in the invitation. In such circumstances the claims of Germany would certainly be very strong. I formed the impression that Herr Woermann seemed fully satisfied with this and agreed that there was an unsatisfactory situation in the Mediterranean. I took the opportunity of reminding the Chargé d'Affaires that since some at least of these sinkings were real cases of mistaken identity, there was always the risk of a German merchant ship falling a victim to these indefensible practices.

I am, etc.,
ANTHONY EDEN

No. 120

Mr. Eden to Mr. Lloyd Thomas (Paris)

No. 1711 [*W 16608/23/41*]

FOREIGN OFFICE, *September 3, 1937*

Sir,

The French Chargé d'Affaires came to see me this afternoon when he began by saying that he had spoken to M. Delbos on the telephone on the subject of the list of countries to whom invitations were to be addressed for the Mediterranean Conference at Geneva. If the Valencia Government were not to be invited, M. Delbos insisted that the Black Sea Powers should be invited. I replied that I really did not like this extension of the list of invitations; I felt sure that in the first instance the list should be limited strictly to the Mediterranean Powers who were those most intimately concerned, and who were alone those able to take action to meet the situation—i.e. Great Britain, France, Italy, Yugoslavia, Albania, Greece, Turkey and Egypt.

2. I then explained to M. Cambon the proposals that we had in mind. At the Geneva meeting we should do our best to secure agreement for a joint approach to the two parties in Spain in which we should tell them that, since the use of the submarine in the present civil war had resulted in the grossest abuse and flagrant breaches of international law, we must request the two parties in Spain to take steps to ensure that their submarines did not operate submerged outside their own territorial waters. If they did so they would be liable to be sunk.

3. Second, the neutral Mediterranean Powers should enter into an understanding between themselves for a self-denying ordinance; by its terms these Powers would agree that their submarines would not be submerged outside certain fixed limits which at no point would probably exceed 10 miles from the coast. It followed from this that, if a submarine were found submerged outside these clearly defined limits, it would be liable to be sunk. These proposals might, in the first instance, be put into force for three months, with power to extend the period if desired.

4. M. Cambon said that he himself liked the proposals, which seemed to be essentially practical and technical; they would avoid a lot of political controversy which would lead nowhere. He would submit them to his Government to-night and let me have their response, he hoped to-morrow. I explained that we desired to issue the invitations with the least possible delay; I thought that they should go out in our joint names, if possible to-morrow, and that the invitations should be to discuss the security of shipping in the Mediterranean, or some such general phrase. This also M. Cambon said that he would submit.[1]

I am, &c.,
ANTHONY EDEN

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[1] Later on Friday, September 3 Sir G. Mounsey was informed by the French Embassy that M. Cambon had referred Mr. Eden's suggestion for the inclusion of Italy in the proposed Mediterranean Powers talks to Paris, and had now learnt that the Council of Ministers were considering it. On Saturday morning, however, the Foreign Office was told that the French Government still contemplated the exclusion of Italy from the meeting and were insisting on the inclusion of Russia. There followed telephonic conversations between M. Delbos and Mr. Eden throughout September 4, and M. Delbos only secured Mr. Eden's reluctant agreement to the inclusion of Russia as well as Italy after a threat of resignation. These negotiations are described in Sir G. Mounsey's letter to Mr. Lloyd Thomas of September 8: No. 146 below. See also Nos. 135 and 142.

No. 121

Mr. Lloyd Thomas (Paris) to Mr. Eden (Received September 4, 12 noon)

No. 161 Telegraphic: by telephone [*W 16618/16618/41*]

PARIS, *September 4, 1937*

My telegram No. 507 Saving.[1]

Great satisfaction continues to be expressed at the decisions taken by His Majesty's Government concerning the Mediterranean. It is felt that this demonstration of Anglo-French cooperation is a steadying factor of immense value at the difficult moment in international relations, and the preparations for the conference of Mediterranean Powers are the chief topics of interest in the press. The decision to reinforce the British units in the Mediterranean is considered as an encouraging sign of firmness in British policy.

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[1] This telegram of September 3 reported French press comment on the Mediterranean situation.

M. Herriot said to me last night that he felt that the common line being taken by the British and French Governments was the only hopeful element in international affairs at the present juncture.

No. 122

Mr. Ingram (Rome) to Mr. Eden (Received September 4, 3.30 p.m.)

No. 474 Telegraphic [*W 16627/16618/41*]

ROME, *September 4, 1937, 1.25 p.m.*

My telegram No. 472.[1]

I am told that at last night's Press Conference, Spokesman of Ministry [? for Foreign Affairs] was very reserved, indicating that Italy's attitude towards proposed meeting[2] would depend on various points being clarified:

(A) Choice of Geneva as venue.
(B) Absence of preparation through diplomatic channels and
(C) Apparent intention to exclude Germany.

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[1] In this telegram of September 3, not kept in F.O. archives, Mr. Ingram reported rumours about the proposed meeting of Mediterranean Powers, and raised the question of Italy's possible refusal to attend.

[2] It is clear from *Ciano's Diary*, *op. cit.*, that the Italian Foreign Minister was in fact taking the preparations for a Mediterranean conference seriously. On September 4 he ordered that Italian naval action be suspended, despite a report from General Franco that a continuation of the Italian blockade throughout September would be decisive: see *ibid.*, p. 9. Through breaking the Italian cypher, the Admiralty knew of this order, and Mr. Eden and Lord Chatfield were in fact aware before the Nyon Conference met that its object had been successful: see Gretton, *op. cit.*, p. 107.

No. 123

Mr. Eden to Mr. Ingram (Rome)

No. 279[1] *Telegraphic* [*W 16638/16618/41*]

Most Immediate FOREIGN OFFICE, *September 5, 1937, 4 p.m.*

You should concert with your French colleague to address the following joint invitation to the Government to which you are accredited.

The recent illegal attacks on shipping by submarines and aeroplanes acting without warning and without revealing their identity have produced a state of such grave insecurity in the Mediterranean that, in the opinion of the British and French Governments, immediate consultation between and action by the Mediterranean and certain other Powers has become necessary in order to deal with the intolerable situation which has arisen. The British and French Governments accordingly propose that a meeting should be convened on the 10th instant, to consider the measures to be taken in order to put a stop to the present state of insecurity in the Mediterranean and to enforce the rules of international law regarding treatment of shipping at sea.

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[1] No. 65 to Belgrade; No. 18 to Durazzo; No. 95 to Athens; No. 43 to Istanbul; No. 390 to Alexandria; No. 162 to Berlin; No. 92 to Moscow; No. 67 to Bucharest; No. 24 to Sofia.

The British and French Governments hope that the Government to which you are accredited will be prepared to be represented at this meeting, and since representatives of several of the Governments concerned will shortly be at Geneva it is suggested that the meeting might conveniently be held in the neighbourhood of that city.[2]

The Governments to which this invitation has been addressed are the following Mediterranean Powers, Italy, Jugoslavia, Albania, Greece, Turkey and Egypt, together with the Black Sea Powers, namely U.S.S.R., Roumania, Bulgaria and also Germany. It will of course always be open to the meeting to consider whether it would like to invite other Powers to join in its deliberations at a later stage.

You may be asked why invitations have not been addressed to Spain. If so, you can explain that during the course of the proposed discussions it may be found necessary to address to both parties in Spain communications in regard to which the Participating Powers will have had to reach previous agreement.[3]

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[2] It had been decided to hold the conference at Nyon, on Lake Geneva.

[3] On September 10 Dr. Monteiro, acting on instructions, expressed to Sir G. Mounsey the surprise of the Portuguese Government that no invitation had been extended to them to attend the Mediterranean Conference (W 17192/16618/41): see *D.A.P.E., op. cit.*, Nos. 1326, 1330, 1331.

No. 124

Mr. Ingram (Rome) to Mr. Eden (Received September 6, 7 p.m.)

No. 479 Telegraphic [*R 6041/1/22*]

Immediate ROME, *September 6, 1937, 4.50 p.m.*

Minister for Foreign Affairs asked me to call this morning. His Excellency said that in view of friendly relations now existing between the two countries he felt he would like us to know informally how matter stood as regards his government and forthcoming meeting of the League. His Excellency had taken steps to inform Rome protocol powers Albania and Poland, Yugoslavia, Switzerland and certain South American powers that Italian Government would welcome it if these powers could either take or follow any initiative at forthcoming meeting which would facilitate recognition of the Empire either by registering decease of the former Abyssinian régime or by freeing members of the League from their obligation not to recognise Italian Empire over territory in question. He did not know whether any of the powers in question would take the initiative in either direction possibly he said Poland would but he was sure they would follow one. His Excellency did not know what attitude His Majesty's Government proposed to adopt at Geneva but he wanted you to know the ground was prepared so far as he had been able to prepare it for a step which would make enormously for European appeasement and co-operation between nations and above all between Italy and England. This latter point was one upon which he and Signor Mussolini set the utmost importance. He begged me to impress on you how genuine was his and Signor Mussolini's desire in this respect.

2. Count Ciano then went on to say that if His Majesty's Government were not free to recognise it was difficult to see what the proposed Anglo-Italian conversations could deal with. We already had the January Mediterranean preliminary examination regarding status quo in Mediterranean.[1] Italy certainly meant to abide by it and she believed His Majesty's Government had the same loyal intentions by it. Thus there was really nothing much more that could be done as regards the Mediterranean. There remained the new Italian Empire in East Africa. Here relations between the former Abyssinia and the adjacent British colony required adjusting; but it was virtually impossible to do this unless recognition were either a fact or were assured. Thus quite apart from general European appeasement there was everything to be gained so far as purely Anglo-Italian relations were concerned by Geneva achieving some solution which would enable the powers, and in particular, Great Britain, to recognise.

3. I told Minister for Foreign Affairs I would pass on to you at once what he had said. In turn I asked His Excellency question which I said I quite realised he might not be able to answer. I enquired whether once decision such as he had envisaged were taken at Geneva, Italian Government would promptly resume collaboration there. His Excellency thought a moment and said that all he could say was that any decision that enabled Geneva powers to recognise would equally enable Italian Government's return to Geneva. Just as he imagined powers could not bind themselves to immediate recognition he could not bind himself to immediate return; but the door would be open. Beyond that he could not commit himself at the moment.

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[1] See Volume XVII, No. 530.

No. 125

Mr. Ingram (Rome) to Mr. Eden (Received September 6, 10 p.m.)

No. 480 Telegraphic [*R 6042/1/22*]

Important ROME, *September 6, 1937, 8 p.m.*

My immediately preceding telegram[1] and my telegram No 471.[2]

Although Count Ciano's language did not give prima facie the impression of an appeal it certainly bore no trace of being spoken to me as a conditional threat. I am sure in my own mind that in fact it was in the nature of an appeal and was inspired more by genuine apprehension that things might go wrong at Geneva from the Italian point of view than by anything else. I came away feeling that his desire had been to let you know informally and frankly how far he had been able to go to make things easier for His Majesty's Government.

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[1] No. 124.

[2] No. 113.

2. Nothing could do more good at the moment towards steadying him and checking the growing restlessness referred to in my telegram No. 471 than a similar informal communication as to just how far His Majesty's Government individually are prepared to go in taking or following any lead for which Count Ciano has paved the way on the lines he indicated. Of course should His Majesty's Government not be prepared to take or follow any such lead it would be better to say nothing. If however His Majesty's Government can take Italian Government into their confidence over what they are prepared to do always provided that it is favourable towards facilitating recognition then I would strongly urge that we lose no time in telling His Excellency.

No. 126

Mr. Ingram (Rome) to Mr. Eden (Received September 7, 9.30 a.m.)

No. 482 Telegraphic [*W 16755/16618/41*]

ROME, *September 7, 1937, 1 a.m.*

Your telegram No. 279.[1]

Invitation was delivered by French Chargé d'Affaires and myself at seven p.m. this evening[2] in identic terms to Minister for Foreign Affairs who had been unable to receive us before.

His Excellency said that his government had been prepared to give an affirmative answer in principle to invitation straight away as they had understood that conditions to which the Italian government had attached importance[3] had been met. Unfortunately a most distressing incident had occurred that afternoon which made it virtually impossible for the Italian government to contemplate sitting at the same table as the U.S.S.R. He emphasised that though he had viewed with some scepti[ci]sm certain matters which proposed conference might have been expected to discuss nevertheless the Italian government had been absolutely ready to accept invitation and collaborate with interested Powers towards desired end. For the moment all His Excellency could do was to acknowledge receipt of note and reserve his government's reply.

His Excellency then proceeded to give us an account of note which had reached him at two p.m. this afternoon from Soviet Embassy details of which are contained in my immediately following telegram[4] and which he said seemed to him to have successfully torpedoed conference. It was not a manoeuvre of Moscow it was an attack.

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[1] No. 123.

[2] i.e. September 6.

[3] Cf. No. 122.

[4] No. 127 below.

Repeated to Moscow, Berlin, Paris.

No. 127

Mr. Ingram (Rome) to Mr. Eden (Received September 7, 9.30 a.m.)

No. 483 Telegraphic [*W 16781/23/41*]

ROME, *September 7, 1937, 1 a.m.*

My immediately preceding telegram.[1]

Following is a resumé of note delivered by Soviet Embassy to the Italian Government at 2 p.m. this afternoon and translated to me orally by the Minister for Foreign Affairs:[2]

Soviet Government have indisputable proof that the Soviet steamers *Timiry Aseff* on August 30th and *Blagoeff* on September 1st were torpedoed by vessels of the Italian Government. These gestures are in contradiction with principles of humanity and international law as well as with pact between Italy and Soviet Russia signed September 2nd 1933. Soviet Government enters a 'most decided protest' with Italian Government and puts 'whole responsibility for consequences political and material on the shoulders of the same Government for the actual aggression' on the part of Italian forces against merchant ships flying Soviet flag. Soviet Government (a) demand[s] complete cessation of these acts of aggression, (b) requests payment of damages incurred by Soviet Government and a recompense for families of those bereaved and (c) demands exemplary punishment of persons guilty of having perpetrated above-mentioned acts of aggression.

2. The Italian Government according to the Minister for Foreign Affairs have immediately sent a brief reply to the following effect.

The Italian Government reject arbitrarily the account given of incidents mentioned, reject all responsibility for them and refuse en bloc all requests.

3. Text of *communiqué* issued by Italian Government this evening is contained in my immediately following telegram.[3]

Repeated to Moscow, Berlin and Paris.

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[1] No. 126.

[2] See *D.V.P.S.*, vol. XX, No. 321.

[3] Not kept in F.O. archives.

No. 128

Mr. Ingram (Rome) to Mr. Eden (Received September 7, 9.30 a.m.)

No. 485 Telegraphic [*W 16757/16618/41*]

ROME, *September 7, 1937, 1 a.m.*

My immediately preceding telegram.[1]

French Chargé d'Affaires and I share the opinion that eventual Italian reply to invitation can in the circumstances hardly fail to be a refusal. The only hope is that Italian Government might while refusing to sit at the same table at a new conference with U.S.S.R. not find such a difficulty at continuing to sit at a table with the U.S.S.R. at which they have already taken their seat. There is a difference—infinitesimal though it may seem at first sight—between refusing to enter a new conference and walking out on the Non-Intervention Committee.

We both feel that Moscow has unconsciously played into Italian hands and that the Italian Government rather welcome this way of getting out of a conference for which they clearly had no great taste.

Repeated to Moscow, Berlin, Paris.

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[1] See No. 127, note 3.

No. 129

Mr. Ingram (Rome) to Mr. Eden (Received September 7, 3.30 p.m.)

No. 486 Telegraphic [*W 16825/16618/41*]

ROME, *September 7, 1937, 1.45 p.m.*

Following for Sir O. Sargent.

My telegram No. 485[1] was an agreed draft with my French colleague but did not tell the whole story.

Actually when Count Ciano had made it clear that Russian notes had made Italy's attendance at proposed Conference virtually impossible I enquired, making it clear that I was speaking quite personally and without instructions, whether it would not be possible in the circumstances to make use of machinery of Non-Intervention Committee.

Minister for Foreign Affairs said at once that that might be a possible way out and that he would certainly bear the idea in mind and he repeated this again when we left.

My French colleague made no comment but appeared embarrassed and afterwards he begged me not to mention that I had myself referred to Non-Intervention Committee at our joint meeting with Minister for Foreign

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[1] No. 128.

Affairs as he feared it might make things awkward for him at the Quai d'Orsay.[2]

I was (and still am) handicapped by being completely in the dark as to what had happened in London and Paris but felt obliged to accede to his request.

Do you wish me now to follow up suggestion before Count Ciano commits himself? Alternatively should he revert to it himself would you prefer that I should merely say that though I reported to you what I had said I have been unable to ascertain any expression of your views?

It would help me very much if I could be told whether it is a matter of indifference to His Majesty's Government that Conference should be held with or without Italy.

[2] Mr. Ingram described this episode in more detail as follows in a private letter of September 10 to Sir O. Sargent: 'Blondel and I then returned to this Embassy in order to draw up an agreed account of what Ciano had said and of our impressions. These accounts are already contained in my telegrams Nos. 482 and 485 [Nos. 126 and 128]. On our way here in the car, Blondel begged me not to insist that in that account we should say anything about my having suggested the distinction referred to above, as he felt sure that it would get him into trouble with the Quai d'Orsay if we did. They might be down on him either for not supporting me or for not declaring at once that such a solution was impossible; in fact, he made me feel a bull in a china shop—an unrepentant one, I must confess . . .'

No. 130

Mr. Eden to Mr. Ingram (Rome)

No. 281 Telegraphic [*W 16757/16618/41*]

Most Immediate FOREIGN OFFICE, *September 7, 1937, 6.30 p.m.*

Your telegrams Nos. 482[1] and 485.[2]

Press reports from Rome indicate that Italians may decide not to participate in Nyon Conference on account of Soviet Note accusing Italy of recent sinking of Soviet ships in the Mediterranean.

We trust that these reports are not justified and that Italy will not allow herself to be influenced by accusations from any quarter as to past happenings. The conference is to discuss the future and we feel that it is of importance for future conversations between the United Kingdom and Italy that both countries should show that they are anxious in all circumstances to secure free transit of the Mediterranean for shipping generally.

We hope therefore that they will return an affirmative reply to invitation, notwithstanding Soviet note.

We attach great importance to the conference and to an agreement being reached between all the Powers concerned to take steps which will put an end to acts of piracy in the Mediterranean. As we have stated in the terms of our invitation, we regard such acts as intolerable. We are all the more anxious

[1] No. 126. [2] No. 128.

that the conference should succeed because to reach an international agreement upon an issue of this importance would be a most useful prelude to Anglo-Italian conversations. It is useless to deny that recent events, and the glorification of Italian intervention in Spanish affairs, have seriously perturbed public opinion here. Moreover Italian Government will also have in mind apprehensions previously expressed by you on instructions contained in my telegrams Nos. 273[3] and 274[4] as to the effect of a continuance of recent events in the Mediterranean. All these factors which taken together cannot be without their effect on the prospect of successful conversations make us more than ever anxious that the solution of the piracy problem should be achieved by international agreement in which Italy participates.

I note from your telegram No. 480[5] that Count Ciano regards the Soviet Embassy note as an attempt to torpedo the conference. If that be His Excellency's view there is surely all the more reason not to allow such an attempt to succeed. The Italian Government, by showing herself prepared to co-operate at a conference despite the Soviet note would surely, on its own showing, be using the best method to counter the Soviet manoeuvres to which they refer.

You should speak at once to the Minister for Foreign Affairs in this sense. I myself have spoken in this sense to Italian Chargé d'Affaires.[6]

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[3] No. 99.

[4] No. 102.

[5] No. 125.

[6] See No. 136 below.

No. 131

Sir H. Kennard (Warsaw) to Mr. Eden (Received September 7, 10.40 p.m.)

No. 36 Telegraphic [*C 6334/1/18*]

WARSAW, *September 7, 1937, 8.35 p.m.*

Your despatch No. 311.[1]

In a conversation with Minister for Foreign Affairs today he mentioned memorandum which Polish Embassy had submitted to the Foreign Office regarding Western Pact. I felt it prudent not to be drawn into any lengthy discussion on this question and I mentioned that terms of this memorandum seemed somewhat vague. His Excellency stated that Polish Ambassador in his letter of July 17th to Sir R. Vansittart[2] had gone more fully into Polish point of view and object of memorandum had been merely to show official interest which Polish Government felt in this question in order that at a later stage it might not be said that it had not been realised that Polish Government felt themselves vitally interested in any negotiations in this connexion. Monsieur Beck who is leaving for Paris today tells me he intends to discuss this question with Monsieur Delbos and he further hopes to be able to speak to you at

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[1] Not printed: it forwarded a copy of the Polish aide-mémoire of August 27 (No. 105).

[2] No. 47.

Geneva on this as well as on the other question to which he will be giving careful study namely of course the particular question of Polish Jewish emigration.

Repeated to Paris.

No. 132

Mr. Eden to Mr. Ingram (Rome)

No. 282 Telegraphic [*R 6042/1/22*]

FOREIGN OFFICE, *September 7, 1937, 11 p.m.*

Your telegrams Nos. 479[1] and 480.[2]

Instructions to be issued to the British delegates to Assembly meeting in regard to *de jure* recognition issue are to be discussed by Cabinet to-morrow morning. For your own information, I think it in the highest degree improbable that I shall be able to authorise you to give any indication to Count Ciano before the Assembly meets of the tenour of those instructions.[3]

[1] No. 124. [2] No. 125.

[3] A further paragraph, added to the first draft of this telegram by Sir O. Sargent, was deleted by Mr. Eden. It included the observation that 'the continuance of anarchical conditions in the Mediterranean is bound to endanger the prospects of Anglo-Italian conversations and I foresee that it is likely equally to prejudice the consideration of the *de jure* question at Geneva. Italian co-operation, therefore, in the restoration of security in the Mediterranean is, in my opinion, an essential preliminary to any progress either in *de jure* recognition or in Anglo-Italian conversations . . .'

No. 133

Mr. Eden to Mr. Ingram (Rome)

No. 283 Telegraphic [*W 16825/16618/41*]

FOREIGN OFFICE, *September 7, 1937, 11 p.m.*

Your telegram No. 486.[1]

We do not want the question of piracy in the Mediterranean to be dealt with by Non-Intervention Committee, since the question of security on the high seas is one which transcends any question arising out of the Spanish Civil War and it would only confuse the issue to link it up with the problem of non-intervention in Spain. We certainly attach great importance to the conference being held with Italy.

Strictly for your own information, our original wish was to convoke a conference of Mediterranean Powers (including Italy but excluding the Black Sea Powers) to consider measures to put an end to piracy in the Mediterranean. It was the French who insisted on Russia being invited, and we

[1] No. 129.

argued that in that case Germany would have to be invited as well. A compromise on this basis was ultimately agreed upon but we throughout were strongly opposed in principle to either of these countries being included, on the ground that they were not Mediterranean Powers and ought not therefore to take part in the policing of that sea.

No. 134

Memorandum[1] *by Mr. Eden on the situation in the Mediterranean*

[*W 16844/16618/41*]

FOREIGN OFFICE, *September 7, 1937*

It is possible that as a result of the recent Soviet Note addressed to Italy, the Italian Government will refuse to attend the proposed Mediterranean Conference.[2] This will entail the refusal of Germany, and probably also the modification of the type of proposals to which the Conference, thus restricted, could be expected to agree. It is necessary, therefore, to contemplate the circumstance of a smaller conference which Italy and Germany would not attend and to examine the measures which His Majesty's Government could then take in conjunction with any other Powers who were willing to co-operate in putting an end to the sinking of merchant ships.

Proposals had been worked out by the Admiralty and the Foreign Office[3] under which the two parties in Spain should be informed that their submarines must in future be confined to port, and that failure to carry out this measure would render them liable to be sunk. As a logical consequence of this restriction upon the movements of Spanish submarines, and in view of the possibility of non-Spanish submarines being sunk in error, it was further proposed that the whole of the Mediterranean should be closed to all submarines, with the exception of certain limited areas deemed necessary for exercises off the naval ports of the Powers concerned.

In view of the probable refusal of the Italian Government to attend the proposed Conference, it may no longer be possible to proceed with the above proposal which involves the co-operation of all the Mediterranean Powers.

Further consideration has been given by the Foreign Office and the Admiralty as to what measures it is possible for this country to take in conjunction with other Powers who may be disposed to act. Such measures must clearly depend upon the naval forces available as to which the First Sea Lord has submitted the following views:

> 'The First Sea Lord is of opinion that it is important to impress on the French privately that the British Naval peace strength in Destroyers

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[1] Circulated to the Cabinet on September 8 as C.P.213(37).

[2] See No. 126.

[3] These proposals were discussed at a meeting in the Foreign Office on September 6, a record of which was circulated to the Cabinet as C.P.211(37) (W 16802/16618/41).

available for operating in the Mediterranean is strictly limited, if operations are to be carried out over a period of several months. Assuming that all the Destroyers in the Mediterranean and Home Fleets are devoted to the task of keeping down submarine piracy in the Mediterranean some thirty destroyers on the average will be available. Operating in two reliefs this would limit the number of Destroyers actually employed at any one time to fifteen.

The First Sea Lord feels strongly that if the British Navy is asked to do any task of this public nature it should be able to do it efficiently. At present our Destroyers are acting singly so as to be spread over as large an area as possible. A single Destroyer cannot deal effectively with a Submarine. He therefore proposes to divide the fifteen Destroyers available at any one time into five or six groups. It is obvious that these five or six groups could only cover a limited area, whereas we have to consider the whole of the French frontier, the Malta Channel, the coast of Greece and the Aegean. He therefore wishes it to be clearly understood that no scheme can be fully effective.

It is also important that the French Navy shall play an active and not inconsiderable part. The Russian Navy might at the same time be asked if they were prepared to watch any area in the Aegean. Although it would be most undesirable to allocate publicly any particular area to any one country, it would be necessary, to avoid incidents, that the staffs of the countries concerned should have some mutual understanding in the matter. The French Navy might be asked, for instance, to operate generally in the Western Basin north of the 40th parallel, the British Navy south of that parallel, and the Russian, Greek or Turkish Navies [in] the Aegean. Failing the Russian, Greek or Turkish Navies being willing to do this, British forces would have to be sent to the Aegean as necessary.

The First Sea Lord was also concerned with the question of bases for British Destroyers. At present they are using Spanish ports, both Insurgent and Government, which greatly reduces the strain on personnel and increases the time which they can be available at sea. It is strongly desirable from the British Fleet's point of view to avoid any action which would cause the two Spanish belligerents to deny the use of their ports to our forces. If Spanish ports ceased to be available, it would be important that the French should give us the use of Algiers.

A further point is that a time limit should be placed in the first instance on the period of the operation. This can always be extended if necessary but if no time limit is laid down we are committed indefinitely and, in the quite probable event of submarine operations ceasing, our vessels might be employed for months on fruitless patrol duties.'

In view of the considerations outlined above it would appear desirable for His Majesty's Government to endeavour to secure agreement at the conference on the following general proposals:

(i) That in view of the piratical acts carried out by submarines in the

Mediterranean against the shipping of various countries, the Powers concerned shall give instructions to their naval forces to take the action indicated in (ii) and (iii) below with a view to the protection of all shipping.

(ii) That any submarine attacking a merchant ship in a manner contrary to the rules as to the action of submarines with regard to merchant ships contained in the *Procès-Verbal* signed in London on the 6th November 1936,[4] is to be counter-attacked and, if possible, destroyed.

(iii) This instruction extends to any submarine in the vicinity of a position in which a merchant ship has recently been attacked or sunk.

(iv) The above instruction shall remain in force until changed but would be reviewed monthly.

It is clearly desirable that at some stage, the earlier the better, Germany and Italy should be asked to co-operate, in the event of their not attending the Conference.

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[4] See No. 110, note 4.

No. 135

Mr. Eden to Mr. Lloyd Thomas (Paris)

No. 1730 [*W 16874/16618/41*]

FOREIGN OFFICE, *September 7, 1937*

Sir,

The French Ambassador came to see me today when he gave me some account of a meeting of certain French Ministers which he had attended previous to his return to London. The Ambassador remarked that M. Delbos had regarded the Soviet Note to Italy[1] as singularly ill-timed. It had completely taken him aback and he had expressed to the Soviet Chargé d'Affaires his view of that Government's action. I remarked that, as the Ambassador would be aware, I had done my best at the previous weekend, even going so far as to return for the purpose especially on Saturday afternoon, to make a personal appeal to M. Delbos to limit our Conference strictly to the Mediterranean Powers.[2] I much regretted that the French Government had not been able to share our view, for had the invitations been so limited the Soviet Note would have had no significance for the work of the Conference. M. Corbin replied that he thought it was the view of the French Government that the Soviet Government were likely to give less trouble inside the Conference than outside it.

2. The Ambassador then described to me in general terms the ideas of the French Government with regard to the steps to be taken to deal with piracy in the Mediterranean. I understood that they agreed that the Conference should

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[1] See No. 127.

[2] See No. 120, note 1.

be mainly of a technical character and that arrangements should be made between our navies for effective action to deal with the existing menace.

3. In reference to the general Spanish situation, the Ambassador said he had been present at a discussion on the subject of non-intervention. Several Ministers had supported its continuance, including M. Blum. The latter had admitted all the difficulties and discouragements, but had added that he thought one more attempt should be made to secure the withdrawal of foreign volunteers before the policy of non-intervention was abandoned. If this failed, then the French Government would probably be compelled to resume their liberty of action. In any event the Ambassador did not anticipate any considerable supplies of war material crossing the French frontier into Spain and he thought that the flow of volunteers had ceased and would not be revived by the opening of the frontier. The Spanish Government had, however, pleaded anxiously that the frontier should be open for transit traffic. He understood, however, that the French Government would not do this if the problem of volunteers could not be dealt with. They were however seriously disturbed by the fact that foreign nationals there were being continuously kept up to strength by the arrival of fresh recruits. In this connexion the Ambassador mentioned that he had been in Italy himself for a few days on his holiday and he found the people spoke quite openly about what was going on. He had asked a gardener there what his family thought about it and he had replied: 'We don't mind—we get 15,000 lire for every volunteer who goes out and 15,000 more if he is killed.'

4. The Ambassador remarked that the French Ministers had also discussed the question of Abyssinia. While some of them, notably M. Chautemps, desired that this question should be regulated there was a unanimous view that the present moment was inopportune.

5. I asked the Ambassador whether he thought that a successful outcome of the Nylon [*sic*!] Conference would produce results and he said that would no doubt be so and perhaps M. Delbos would have considerable latitude in the matter.[3]

I am, etc.,

ANTHONY EDEN

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[3] For M. Corbin's account of this conversation see *D.D.F.*, *op. cit.*, No. 403.

No. 136

Mr. Eden to Mr. Ingram (Rome)

No. 926 [*W 16875/16618/41*]

FOREIGN OFFICE, *September 7, 1937*

Sir,

The Italian Chargé d'Affaires asked to see me this afternoon when he began by saying that while he had no instructions from his Government he was anxious to know whether I could give him any information for his Government, more especially as to the proposed Conference at Nyon.

2. In reply I explained to the Chargé d'Affaires that he would have seen from the terms of our invitation that we regarded the continuance of the present situation in the Mediterranean as intolerable and were determined to end it.[1] At the same time we sincerely desired to achieve that result by agreed action between all the Mediterranean Powers. We therefore attached great importance to the Nyon Conference for two reasons. In the first place because of the importance of dealing with the present piracy in the Mediterranean and in the second because of the influence we thought the Conference could have on the European situation generally and Anglo-Italian relations in particular. I could, for instance, imagine no better prelude for the Anglo-Italian conversations than a successful outcome of the meetings at Nyon. It would be useless to deny that certain recent events, including certain Italian declarations about the part played by their country's intervention in Spanish affairs, had obscured the outlook for our conversations. This we regretted, but it was no fault of ours. We attached therefore all the more significance to a successful outcome of the Conference at Nyon which should include Italy. I had noticed in a record which you had sent me of your conversation with Count Ciano on Monday that His Excellency regarded the Soviet Note as an attempt to torpedo the Nyon Conference.[2] If that were indeed so, I could imagine no better retort to such an attempt than for Italy to show that it had failed by affirming her intention to attend the Conference. This was certainly what we hoped the Italian Government would see their way to do.

3. The Chargé d'Affaires replied that he fully understood the force of the point which I had made and he would report this conversation at once to his Government. He himself personally had had a similar reaction when he first heard of the Soviet Note; on the other hand, he thought it possible that the Italian Government might be reluctant to go to Nyon for fear that the Conference would be a scene of acute public controversy between the Italian and the Soviet Governments. Such a controversy could not do any good and might do much harm in the present state of the international situation. It would, however, no doubt be a great assistance to the Italian Government if they could receive some assurance that the Soviet Government would not attempt to raise such a controversy. I replied that I feared that it would be impossible for me to give such an assurance, though I could say that so far as His Majesty's Government were concerned our intention was that the Conference should deal with the future and not with the past. We would seek to obtain quick results and ideological controversy was not our idea of the agenda. At the same time I thought that the Italian Government should not attach too much significance to the risks attending upon such a controversy as they feared—after all the Non-Intervention Committee had been the scene of formidable debating bouts in the last year and nobody seemed to be very much the worse for them.

I am, etc.,
Anthony Eden

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[1] Cf. No 123.

[2] See No. 126.

No. 137

Viscount Chilston (Moscow) to Mr. Eden (Received September 8, 9.30 a.m.)

No. 139 Telegraphic [*W 16855/16618/41*]

Immediate MOSCOW, *September 8, 1937, 1.11 a.m.*

My telegram No. 136.[1]

Soviet reply to invitation to attend Conference was delivered tonight[2] to a member of my staff and a member of French Embassy who were asked to call at Commissariat for Foreign Affairs in order to receive it. Text of the two notes was identical.

In the first part of their note Commissariat acknowledge receipt of French and British notes and recapitulate their contents. Soviet point of view is set out in second part of which following is a full translation.

'Soviet Government for its part consider attacks made by certain warships and in the first place by Italian warships on merchant ships flying flags of various States must be recognised as absolutely intolerable and entirely irreconciliable with most elementary rules of International law and with fundamental principles of humanity. It is abundantly clear that these aggressive actions perpetrated on the high seas and directed against shipping of peace-loving Governments constitutes [*sic*] a direct threat to European security and universal peace.

In view of foregoing considerations Government of Union of Soviet Socialist Republics is ready to take part in conference called by initiative of French and British Governments for September 10th for the purpose of discussing question of measures to be taken in order to ensure safety of shipping on the high seas which constitutes one of the foundations of peace.

In view of fact that Powers to be represented at the above-mentioned conference are those immediately connected with Mediterranean basin, Government of Union of Soviet Socialist Republics enquire of Governments of Great Britain and France as initiators of Mediterranean Conference to explain reasons for which Germany, which they must know does not answer to this description, is being invited to this conference.

At the same time Government of Union of Soviet Socialist Republics consider Government of Spanish Republic should also now be invited to conference on September 10th, both because Spain is a Mediterranean Power and *a fortiori* because interests of Spanish Republic have suffered especially seriously from the aggressive actions of pirate warships.'[3]

After reading Soviet note representatives of this Embassy and of French Embassy pointed out that point raised in the last paragraph of Soviet note had been anticipated by them when they delivered the invitation of their respective governments. Competent official of Commissariat replied that he was not empowered to discuss this or any other point in connexion with note but would simply ask them to communicate Soviet reply to their Governments and ask for urgent reply on points raised therein.

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[1] This telegram of September 6 referred to No. 123 and said that the invitation to the Nyon Conference had been communicated to the Commissariat for Foreign Affairs that day.

[2] i.e. September 7.

[3] A translation of the full text of the Soviet note was enclosed in Viscount Chilston's despatch No. 440 of September 8 (W 17196/16618/41). For the Russian text of the note see *D.V.P.S.*, *op. cit.*, No. 327.

No. 138

Mr. Ingram (Rome) to Mr. Eden (Received September 8, 6.15 p.m.)

No. 490 Telegraphic [*W 16872/16618/41*]

Immediate ROME, *September 8, 1937, 4 p.m.*

I saw Count Ciano this morning and left with him memorandum on points contained in your telegram No. 281[1] with exception of point made in penultimate paragraph which I developed verbally.

I told His Excellency that I felt he ought to be congratulated on the way in which Italian press had not been allowed to go off the deep-end with regard to Soviet note but had it seemed to me most wisely left the door open while leaving it to the foreign press to make the most of the difficulties thus created for Italy by Soviet Government particularly in respect of attending proposed conference. I went on to say that it seemed to me clear as I hoped it was to him that His Majesty's Government attached the utmost importance to Italy's participation in such a conference not only I was sure because of Italy's position as a great Mediterranean Power, but because of beneficial effect such a collaboration would have on prospects of Anglo-Italian conversations. His Excellency must be aware on the other hand of utmost importance which His Majesty's Government attached to this question of piracy in the Mediterranean. It was matter which transcended and was apart from question of non-intervention in Spain and was one which affected all and sundry irrespective of their sympathies with one side or the other in the Spanish conflict. To refuse to be associated in discussion of measures to prevent these piratical acts might well result in conveying the impression that Italy sympathised with them. Nothing could be more deplorable at present moment than any impression of such a nature gaining currency in the world. I therefore made an earnest appeal to His Excellency not to allow themselves to fall into the Moscow trap.

His Excellency listened to what I had to say with attention and when I had finished observed that the situation had been made yet more impossible for Italian Government who had just received a few moments ago further note from Soviet Embassy maintaining categorically allegations and demands of their previous note, see my telegram No. 483.[2] Minister for Foreign Affairs said there were two things he was most sincerely working for, one was European peace and the other was a complete understanding with Great

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[1] No. 130.

[2] No. 127.

Britain; but there were certain insults which no country could honourably sit down under and the Soviet Government had been guilty of something which he thought no self-respecting country would tolerate. He nevertheless said he would like to ponder over what I had said and consider points referred to in aide-mémoire I had left with him. He would then get into touch with Berlin and he thought he could promise me that Italian reply to our invitation would not be an unqualified negative. The door as I had observed had not been closed and he indicated that it might even be possible for Italian and German Governments to make in their reply certain constructive suggestions to meet what was clearly the desire of His Majesty's Government namely discussion of measures between the interested Powers to counteract the problem of piracy in the Mediterranean.

His Excellency dropped me a hint that German Government had all along been against convocation of this conference and had felt that machinery already existed in non-intervention committee for dealing with such problems. It may well be therefore that the constructive suggestions which Italian Government have in mind will be connected with some reference of the problem to a special sub-committee of that body.

No. 139

Mr. Lloyd Thomas (Paris) to Mr. Eden (Received September 8, 9.30 p.m.)

No. 164 Telegraphic [*W 16898/16618/41*]

PARIS, *September 8, 1937, 8.10 p.m.*

French Government consider there was no hidden political motive behind action of Soviet Government in addressing their note of protest to Italian Government. They were bound in view of their public opinion to make a protest but unfortunately they made it three or four days too soon. They maintain that Russian Government stand to lose more than any other by abandonment of the Conference and that their precipitous action at Rome was due to stupidity and nothing else.

Repeated to Moscow.

No. 140

Mr. Eden to Mr. Ingram (Rome)

No. 284 Telegraphic [*R 6042/1/22*]

FOREIGN OFFICE, *September 8, 1937, 10.45 p.m.*

Your telegrams Nos. 479[1] and 480.[2]

Attitude of His Majesty's Government towards Anglo-Italian conversations remains as explained to Count Grandi by the Prime Minister at the end of July last.[3] We still sincerely desire the successful outcome of conversations between us which could, we feel sure, be a contribution to European appeasement. In that connexion the Prime Minister dealt specifically with Abyssinia when in answer to a question by Count Grandi he made it clear that *de jure* recognition could only be envisaged if it could be described as part of a great scheme of reconciliation which should remove suspicion and anxieties and lead to a restoration of confidence.

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[1] No. 124.

[2] No. 125.

We[4] have already explained that the indispensable preliminary to recognition would be action by the League which would declare that Abyssinia had ceased to be an independent state. In the atmosphere prevailing at the end of July it appeared possible that such a declaration might be made with general if not universal assent.

It would however be idle to deny that recent events in the Mediterranean and the Duce's message to Gen[eral] Franco[5] have materially changed this atmosphere and it is clear to us that any proposal of the kind mentioned above would meet with strong opposition if it were put forward at the forthcoming meeting of the League and would indeed encounter a formidable volume of criticism in this country.

In our view therefore the objective now to be arrived at is to restore the July position, and we earnestly hope that the Italian Government will join us at the Nyon Conference in arriving at a satisfactory solution of the Mediterranean difficulties.

Even if such a result could happily be achieved, we are not of course in a position to give an undertaking that the League would proceed forthwith or very shortly to make the declaration referred to above. But nonetheless, we should hope that we might very shortly enter upon the conversations which were contemplated when the recent exchange of letters took place. Meanwhile, it is safe to say that the prospects would be more favourable if the Nyon Conference reaches a satisfactory solution and if no further incident occurs in contravention of the spirit of the Non-Intervention Agreement.

You should speak to Count Ciano in this sense.

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[3] See No. 64.

[4] This paragraph and the following two paragraphs were added to the draft by Mr. Chamberlain.

[5] See No. 108, note 4.

No. 141

Mr. Eden to Sir N. Henderson (Berlin)

No. 164 Telegraphic [*C 5314/270/18*]

FOREIGN OFFICE, *September 8, 1937, 11 p.m.*

Your despatch No. 678.[1]

I would remind Your Excellency that we are still waiting for General

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[1] No. 52.

Göring's reply to the note dated 19th July which you left with him on 20th July and I hope that before you go on leave you may have an opportunity, either at Nuremberg or elsewhere, of recalling the matter to the General's notice with a view to obtaining an early reply.

No. 142

Extract from Cabinet Conclusions No. 34(37) of September 8, 1937

[*W 17044/16618/41*]

3. With reference to the Conclusion on page 16 of the Notes of the Meeting of Ministers held on the 2nd September, 1937, relative to the suggestion for a Meeting of Powers signatories of the Submarine Protocol of 1936,[1] the Cabinet had before them the following memoranda circulated by the Secretary of State for Foreign Affairs. Owing to shortage of time it was not possible for these memoranda to be circulated prior to the Meeting:

(1) Paper C.P. 211(37) being the record of a meeting held at the Foreign Office on September 6th, 1937, and containing suggestions as to the proposals to be put forward by H.M. Government at the forthcoming Mediterranean Conference (for the text of this document see Appendix II).[2]

(2) Paper C.P. 213(37) being a memorandum by the Secretary of State for Foreign Affairs containing proposals worked out by the Admiralty and the Foreign Office as to the measures which H.M. Government might take in conjunction with any other Powers who are willing to co-operate in putting an end to the sinking of merchant ships in the event of Italy and Germany refusing to attend the proposed Mediterranean Conference, and it then becoming necessary to contemplate the circumstance of a smaller Conference and probably also the modification of the type of proposals to which the Conference, as thus restricted, might be expected to agree. (For the text of this Memorandum see Appendix III).[3]

The Secretary of State for Foreign Affairs informed the Cabinet that there had been a somewhat acrimonious controversy with the French Government on the subject of the Powers to be invited to the suggested Mediterranean Conference. In the first instance the French Government had suggested that the Valencia Government should be invited but not the Italian Government. He (the Secretary of State) had argued that neither of the two Spanish Governments should be present at the Conference which should be attended by the Mediterranean Powers, including of course, Italy. Ultimately the French Government agreed that the Valencia Government should be excluded; that the Italian Government should be invited, but that the Soviet Government, which had had ships sunk in the Mediterranean, should also be invited. He had done his utmost to dissuade [*sic*] M. Delbos to modify his demand that the Soviet Government should attend the Conference and had pointed out that if Russia was included, Germany would also have to be included. M. Delbos had stated that the matter had been considered by the French Cabinet and that if we insisted on the exclusion of Soviet Russia the position would become extremely grave and France herself would be unable to attend the Conference. In these circumstances he had felt bound to acquiesce in an invitation being sent to Soviet Russia.[4] The Secretary of State pointed out that although his discussions with M. Delbos had taken place on the telephone there has been no leakage of any kind, and it was of very great importance that there should be no disclosure of these differences between the two Governments.

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[1] See No. 114.

[2] Not printed: see No. 134, note 3.

[3] No. 134.

The Secretary of State then informed the Cabinet as to conversations he had had with the French and Italian Chargé d'Affaires in London. He had impressed upon the latter the very great importance of Italy being present at the Nyon Conference.[5] While the Italian Chargé d'Affaires appreciated the arguments used, he had indicated that the Italian Government was apprehensive that if they went to Nyon, Soviet Russia would take the opportunity of repeating the accusations about the sinking of Russian ships by Italian submarines. He (the Secretary of State) had argued that by refusing to go to Nyon Italy would be merely playing the Russian game. The Chargé d'Affaires had then enquired whether if Italy went to Nyon we would give an undertaking that Russia would make no reference to past events. He (the Secretary of State) had pointed out that it was quite impossible for him to give any such undertaking, but that it was our earnest hope that the Conference would concern itself with the future and not with the past, and that we should do everything in our power to this end. H.M. Ambassador in Rome had expressed the view that ultimately Italy was likely to attend the Conference.

M. Cambon, the French Chargé d'Affaires, had informed him that the French Government regarded the Conference as being mainly concerned with technical matters.[6] He had then proceeded to indicate the attitude of French Ministers towards non-intervention. M. Blum favoured the continuance of non-intervention and thought that another attempt should be made to persuade both sides in Spain to withdraw volunteers. The French Government were very much concerned at the presence of four senior Italian Generals with General Franco's Forces. With regard to Abyssinia, M. Chautemps was favourable to a clearing up of the position, but took a pessimistic view of any progress being made while the Mediterranean difficulties continued. If the Nyon Conference proved successful the present attitude of the French Government towards the Abyssinian problem might change.

The Secretary of State added that up to the present no reply to the invitation to attend the Nyon Conference had been received from the Italian and German Governments. It might be expected that those Governments would act together in the matter.

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[4] See No. 120, note 1.

[5] See No. 136.

[6] See No. 120: see also No. 135.

The Secretary of State then briefly explained to the Cabinet the scope of his two memoranda (C.P. 211(37) and C.P. 213(37)). C.P. 211(37) was based on the assumption that Italy would be present at the Conference and contained suggestions as to the line to be taken with the two Spanish Governments and the measures to be taken by the Powers themselves. An agreement on the basis of the proposals contained in C.P. 211(37) would be highly satisfactory.

The suggestion was made that even if Italy was not present at the Conference it would be possible to inform her of the conclusions reached by the Powers participating in the Conference with a view to her acceptance of these conclusions.

The Secretary of State for Foreign Affairs agreed, and thought that in this event Italy might be approached, through the diplomatic channel. This, however, should be done before the Conference had reached any final conclusions, as otherwise Italy would complain that she was being presented with a *fait accompli.*

The Prime Minister suggested that it might be found possible to inform Italy in advance of the Conference of what was proposed. He was very anxious indeed to avoid a situation in which the Great Powers became grouped into blocs.

The Secretary of State for Foreign Affairs explained that while the Admiralty could not guarantee that the proposals contained in C.P. 213(37) would work smoothly and satisfactorily there was little doubt that in practice this would be so.

The Prime Minister drew attention to the suggestion on page 3 of C.P. 213(37) that:

> 'The Russian Navy might at the same time be asked if they were prepared to watch any area in the Aegean.'

He thought that this was a very dubious proposal.

Attention was also drawn to other references to the possibility of Russian naval ships operating in the Mediterranean.

It was pointed out that it might be difficult to insist on the exclusion of Russian naval ships from the Mediterranean having regard to the numerous attacks that had been made on Russian merchant ships in those waters. While there would be no objection to naval vessels belonging to Italy [*sic*] and Yugoslavia participating in the arrangements, it was recognised that in practice such participation would be unlikely to serve any useful purpose.

General agreement was expressed with the view of the Prime Minister that the proposal that Russian naval ships should participate in the arrangements was open to serious objection which would be mitigated, to some extent, if Powers like Turkey and Yugoslavia, participated in the scheme.

The Prime Minister then drew attention to (iii) on page 4 of C.P. 213(37):

> (iii) This instruction extends to any submarine in the vicinity of a position in which a merchant ship has recently been attacked or sunk.

General agreement was expressed of the view that this went too far, as it would cover the sinking of an innocent submarine which might by chance have been in the vicinity of the attacked merchant ship but which had had nothing to do with the incident. It was pointed out that the proposals on page 4 of C.P. 213(37) were not in final form and were in any case for the information of Ministers only. It was suggested that there might be added to (iii) something to the effect that if the submarine remains submerged this will be taken as *prima facie* evidence that she was responsible for the incident. In reply to enquiries, it was pointed out that the proposals now under consideration covered the scheme for the verification of the flag (see, for example, paragraphs on pages 1 and 2 of C.P. 211(37) under heading 'Verification of flag').

In this connexion, the Secretary of State for Dominion Affairs observed that it was possible that difficulties in regard to this matter might be raised by New Zealand and by the Irish Free State, the Irish Free State having ships trading to the Mediterranean which fly the Irish Free State flag. He would like a few days in which to clear up the position in regard to these Dominions.

Attention was drawn to the wording of (iv) on page of C.P. 213(37), and it was agreed that the wording of this passage should be amended to read:

> (iv) The above instruction shall remain in force until changed, but will be reviewed monthly.

The Cabinet agreed:

Subject to the amendments and alterations raised in the discussion and noted above, the Cabinet approved the proposals contained in Papers C.P. 211(37) and C.P. 213(37) respectively as the proposals to be put forward by His Majesty's Government at the forthcoming Mediterranean Conference to be held at Nyon.

No. 143

Extract from Cabinet Conclusions No. 34(37) of September 8, 1937

[*W 17047/9260/41*]

7. The Cabinet had before them a Memorandum by the Secretary of State for Foreign Affairs (C.P. 207(37)) proposing an exchange of Agents with the Salamanca Government.[1] The proposal was that we should inform General Franco that we were prepared to accept an Agent of his in London in exchange for the establishment of a British Agent at Salamanca. In making this communication it would be explained that such an arrangement would not in our eyes constitute formal recognition of General Franco's Government, and that we should not therefore grant, or expect to receive, full diplomatic status for the Agents. They would, however, of course have the right of confidential communication, and General Franco's Agent in London

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[1] See No. 114, note 8.

would have free access to the Foreign Office. The proposal would also include an exchange of consular Agents in ports and other towns where necessary.

The Secretary of State for Foreign Affairs informed the Cabinet that he was in favour of these proposals but would like to take the opportunity of settling at the same time certain points outstanding with the Salamanca Government, including the retention by that Government of certain British ships. He suggested that if it was found possible to reach agreement at the Nyon Conference, this would be a good moment at which to open the question with General Franco. He proposed, therefore, to act in about ten days' time. While no doubt the proposals would be criticised in certain quarters, there was no doubt that, for the reasons given in the penultimate paragraph of C.P. 207(37),[2] the balance of advantage was strongly in favour of proceeding with them.

The Cabinet agreed:

> To approve the proposals of the Secretary of State for Foreign Affairs for an exchange of Agents with the Salamanca Government, as suggested in C.P. 207(37), and to take note that the Secretary of State proposed to open discussions on the subject with General Franco in about ten days' time.

[2] These reasons were: (a) that as the question of belligerent rights was still under consideration by the N.I. Committee, General Franco's attempts to link the two issues could be resisted; and (b) that Sir H. Chilton considered that 'the Salamanca authorities appear now to be in a favourable mood for receiving a limited proposal of this sort, which does not grant them either of the objects which they mainly desire, namely belligerency and full recognition'.

No. 144

Extract from Cabinet Conclusions No. 34(37) of September 8, 1937

[*R 6140/1/22*]

8. The Cabinet had before them a Memorandum by the Secretary of State for Foreign Affairs (C.P. 210(37))[1] on the present phase in Anglo-Italian relations and the question of the final recognition of Italian sovereignty in Abyssinia. In the historical introduction to his Memorandum, the Secretary of State for Foreign Affairs recalled the more important developments in Anglo-Italian relations since the signature on the 2nd January last of the joint declaration.[2] The Memorandum then discussed certain general considerations, including the political and other arguments for and against *de jure* recognition of Italy's sovereignty over Abyssinia, and emphasised the importance, if such formal recognition was to be accorded, of this being presented as a contribution to the general pacification and appeasement of Europe and not as a nefarious bargain by which Italy gained our assent to her wrong doing in return for material advantages to ourselves. The Memorandum concluded with the Secretary of State's suggestion that the United

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[1] No. 115.

[2] See Volume XVII, No. 530.

Kingdom Delegation at Geneva should be given a certain latitude in the situation; the objectives for which we should work should be to bring a successful issue to the conference of the Mediterranean Powers, to endeavour to make of such an issue the occasion for a real *détente* between Italy and France if this could be secured, when the co-operation of France and other Powers in finally resolving the Abyssinian problem should be forthcoming, and, together, we should be able to take a further step towards the final liquidation of the Abyssinian deadlock.

In two Annexes of his Memorandum the Secretary of State discussed (I) the procedure at the forthcoming Meeting of the Assembly of the League of Nations and (II) the objectives of Anglo-Italian conversations.

The Secretary of State for Foreign Affairs explained that the somewhat inconclusive character of his Memorandum was due to the great uncertainty of the present political situation. From such enquiries as he had been able to make he was convinced that if we could reach a satisfactory arrangement by all Mediterranean Powers at the Nyon Conference about the protection of shipping in the Mediterranean, there was a reasonable chance of obtaining a satisfactory solution such as his Memorandum envisaged. On the other hand, if the Nyon Conference failed, or if Italy and Germany refused to attend, the chances of a successful settlement of the Abyssinian problem in the near future would be very small.

If Abyssinia attended the forthcoming Meeting of the Assembly of the League there would be little or no difficulty, because the Credentials Committee would no doubt find that the Abyssinian Delegation could have no claim to represent Abyssinia in present circumstances. The question was whether the League would wish to take action if an Abyssinian Delegation was not present at the Meeting of the Assembly.

The Lord President of the Council said that he had been much struck by recent telegrams from Mr. Ingram at Rome, and particularly by what was said in telegram[s] 479[3] and 480[4] of September 6th in regard to the views and wishes of Count Ciano. In all the circumstances, might it not be useful to instruct Mr. Ingram to have a friendly talk with Count Ciano and to tell him that we had given very full and careful consideration to what was to happen at the forthcoming Meeting of the Assembly, pointing out that while there would be no difficulty if Abyssinia attended, we foresaw serious difficulty if an Abyssinian Delegation was absent? Mr. Ingram might point out that there was *nothing* to be gained, from Italy's point of view, by more acrimonious discussions, and he could frankly expound and explain our difficulties.

The Prime Minister did not think that the Cabinet had as yet had an opportunity of fully discussing the question of Anglo-Italian relations. He had been informed that the interchange of letters between Signor Mussolini and himself had created a very deep impression of rejoicing and relief throughout Italy. Signor Mussolini himself had been much pleased and gratified. He believed that a good deal of the Italian animus against this country was really inspired by fear. The Home Secretary's visit to Cyprus[5] had excited grave misgivings, and Italy had thought fit strongly to reinforce her Libyan Army. She was apparently convinced that we would act as she herself would have done, and that we were harbouring a vendetta against her. He (the Prime Minister) had been very anxious lest the good effect of the exchange of messages with Signor Mussolini should fade away, as Mr. Ingram's telegrams seemed to fear.

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[3] No. 124.
[4] No. 125.
[5] See Volume XVII, No. 226.

He also had very much in mind the views of the Chiefs of Staff summarised in paragraphs 3 and 4 of C.P. 210(37). He had regarded the lessening of the tension between this country and Italy as a very valuable contribution towards the pacification and appeasement of Europe. A return to normal friendly relations between ourselves and Italy would undoubtedly weaken the Rome-Berlin axis and it might be anticipated that in the event of a dispute between ourselves and Germany the attitude of Italy would be very different from what it would be at present.

He had hoped that at the Meeting of the Assembly at Geneva we should have been able to take the first step towards the *de jure* recognition of Italian sovereignty over Abyssinia. That step would have been a finding by the Assembly that Abyssinia was no longer a Sovereign State. It would then have been open to the individual Members of the Assembly to take their own line on the question of recognising Italian sovereignty over Abyssinia. No doubt serious objection would be raised by extreme supporters of the League, but in this matter we must be realistic and face the facts. As he had said to Count Grandi, *de jure* recognition could only be justified if it formed part of a general appeasement. He had hoped that it would have been found possible, with the assistance and co-operation of France, to get the subject disposed of at Geneva. The whole situation had, however, been changed by the activities of the Italian submarines in the Mediterranean and by Signor Mussolini's foolish boasting in connexion with General Franco's capture of Santander.[6] In the result, the French Government were not now prepared to co-operate, and he (the Prime Minister) thought that it was out of the question for us to proceed in the matter without France's co-operation. If we wanted to maintain a good atmosphere we must not let the Italians think that the proposed Anglo-Italian conversations were dead. It might be possible to say that we had hoped to raise this question of the position of Abyssinia at Geneva, but that recent events in the Mediterranean and in Spain had made the position very unfavourable, and the best solution in the circumstances would be to endeavour to reach a full and satisfactory agreement at the Nyon Conference. The Italians might reply that if we got a satisfactory agreement at Nyon, would we be prepared to guarantee that Italian *desiderata* would be forthcoming at Geneva? We could answer that while we could not possibly guarantee what would happen at Geneva, we ourselves would do our best to clear up the position, possibly at a Special Meeting of the League called for the purpose. He (the Prime Minister) knew that the Secretary of State for Foreign Affairs found difficulty in going quite so far as he (the Prime Minister) would like to go, but he hoped that we should be able to do everything we possibly could to recover the better atmosphere of the early summer.[7]

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[6] See No. 108, note 4.

The Secretary of State for Foreign Affairs read to the Cabinet telegram No. 281 of 7th September which he had sent to Mr. Ingram.[8]

The Secretary of State pointed out that this telegram made no specific reference to Abyssinia. He was apprehensive of making any such direct reference, as if we did so Italy would at once publish to the world that we were ready to deal with her on the subject and any language we used would certainly misrepresent our true views and gravely embarrass us. There was no doubt that Signor Mussolini would very much like to have received some assurance in regard to Abyssinia before his visit to Germany.

The President of the Board of Trade thought that if the atmosphere was to be improved it was imperative that Count Ciano should receive some answer to his enquiries. He hoped that it would not be necessary to break off our relations with Italy on what was little more than a matter of procedure.

The Secretary of State for Foreign Affairs expressed the view that even if our relations with Italy could be much improved it would make very little, if any, difference to our military preparations. Italy was unstable and untrustworthy. General Blomberg had expressed the opinion that in a future war Italy would be found on the opposite side to the one which she had solemnly engaged herself to fight with.[9]

The Secretary of State for Dominion Affairs favoured something more being said to Italy on the lines of the Prime Minister's remarks than was contained in telegram No. 281 of September 7th. At the same time it was very important to avoid giving any guarantee which we should find ourselves subsequently unable to implement. If we took the initiative at Geneva in circumstances where other States were not in agreement with us the position would be very difficult and we might well be faced with the dangerous situation of being opposed there by one or two of the Dominion Delegations. He much hoped, therefore, that any statement would be carefully qualified and that, in particular, we would give no guarantees. It might then be possible to persuade New Zealand and other possible Dominion critics to accept a successful issue of the Nyon Conference as justification for *de jure* recognition of Italy's position in Abyssinia.

The Prime Minister urged that the opportunity should not be lost. We must try and convince the Italians that we were frank and holding nothing back from them. He himself would not mind explaining to them that the difficulties at Geneva were not difficulties raised by us but by others which we should very much like to overcome and which they (the Italians) must help us to overcome.

[7] In a letter of September 12 to his sister Hilda, preserved in the Chamberlain papers, Mr. Chamberlain expressed his anxiety about the attitude towards Italy of the Foreign Office, 'who seem to me to have no imagination & no courage. I must say A.E[den] is awfully good in accepting my suggestions without grumbling but it is wearing to have always to begin at the beginning again & sometimes even to rewrite their despatches for them. I am terribly afraid lest we should let the Anglo-Italian situation slip back to where it was before I intervened'.

[8] No. 130.

[9] Cf. Volume XVIII, No. 495.

The Chancellor of the Exchequer said that it was recognised that if we were to have a better understanding with Italy we must get acceptance of the facts of the Abyssinian position. Would it be possible to say to Italy that if we could reach a full agreement on Nyon we should propose to pursue the July conversations, but that we recognised that a full understanding would have to include a number of important questions of which *de jure* recognition of the Abyssinian position was one?

The Secretary of State for Foreign Affairs referred to Count Ciano's observation that no question now arose as regards the Mediterranean, and that the only important question between us was the Abyssinian one. Assuming Signor Mussolini continued his present policy in the Mediterranean and as a result the Nyon Conference failed, was it still suggested that our policy should be to turn Abyssinia out of the League?

The Minister for Co-ordination of Defence thought that the answer must be in the affirmative, but that the implementing of that policy had become impossible.

The Prime Minister emphasised that the important thing was to strive for a change of heart and attitude on the part of Italy. Was this too much to hope for? The Secretary of State for Foreign Affairs had thought that an improvement in our relations with Italy would not mean that our defence preparations could be reduced. He (the Prime Minister) thought that in time they could be reduced, but he agreed that this could not be done rapidly.

The Home Secretary observed that we had done very little in regard to rearmament in the Mediterranean. The Cabinet sooner or later must choose between the re-establishment of friendly relations with Italy and substantially heavier rearmament in the Mediterranean. He also would like to see an advance on the position as set out in telegram No. 281 to Mr. Ingram of 7th September.[10]

The Secretary of State for Foreign Affairs said that he had had an opportunity of discussing with his advisers the formula suggested before the adjournment by the Chancellor of the Exchequer. It was clear that if we said anything to Count Ciano about Abyssinia we should have to be very careful indeed in our wording, as otherwise we should be subject to the most embarrassing misinterpretations.

The Chancellor of the Exchequer said that his suggestion had been to the following effect: we might say, with reference to the Nyon Conference, that we hoped very much indeed that the Italians would be present, and that the Conference would result in an agreement which would enable the two countries to co-operate together in confidence and friendship, and would also enable us to carry further the understanding which the Prime Minister and Signor Mussolini had worked for in July last. Within the range of the proposed discussions there were a large number of questions, and we did not propose to exclude from the discussions those specifically mentioned by Count Ciano.

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[10] A note at this point states that the Cabinet adjourned at 1.30 p.m. and resumed at 2.45 p.m.

The President of the Board of Trade suggested that we might add a reference to the great difficulty of raising this particular Abyssinian matter at Geneva.

The Secretary of State for Foreign Affairs thought that the Italians were well aware of our attitude, and for his part he would be content to leave the matter as in his telegram to Mr. Ingram of the 8th September. If, however, the Cabinet would like to go further he would assent.

The First Lord of the Admiralty suggested that if we could avoid the words '*de jure*' it would make a difference.

The Prime Minister observed that from the Italian point of view '*de jure*' recognition meant that the Abyssinians would no longer be able to look to us to reverse the present position in Abyssinia.

The Lord President of the Council thought that the expression '*de jure*' carried with it a note of moral justification. Our attitude should rather be that, while we did not withdraw in any particular anything that we had said or done in the past, we recognised the inescapable fact that Italy was now in sovereign control of Abyssinia. He himself was quite content to leave the matter to the Secretary of State for Foreign Affairs, but he would have liked him, if it was possible, to go somewhat further than the Chancellor of the Exchequer, and to make use in argument of selections from his memorandum C.P. 210(37).

The Secretary of State for India wished that he could feel that if we were frank and open with Italy, Italy would be equally frank and open with us. In this connection he referred to the recent telegram stating on good authority that large numbers of Italian volunteers were proceeding to Spain by way of Sardinia and Africa. So long as Signor Mussolini indulged in activities of this kind, he (Lord Zetland) doubted whether any discussions could be of much value.

In the course of discussion, the view was expressed by the Secretary of State for Scotland that there was considerable risk in going further in this matter than the Secretary of State's telegram to Mr. Ingram. The Italians might very well gain the impression that we were running after them, whereas of course the fact was that the approach in regard to our attitude to the Abyssinian problem had been made by Count Ciano himself.

The First Lord of the Admiralty observed that our foreign policy must be based on the state of our armaments. We were not in a position to fight Italy, Germany and Japan at the same time, and it was for this and other reasons that he attached the greatest importance to convincing Signor Mussolini that we wished to be friends with him.

The Secretary of State for Foreign Affairs thought that our line might be that we stood by everything that the Prime Minister had said to Count Grandi and to Signor Mussolini, but the events which had taken place in the interval had made the position very much more difficult, and that was why we attached so much importance to achieving success at the Nyon Conference.

This wording met with general acceptance.

The Cabinet agreed:

(1) To request the Secretary of State for Foreign Affairs to draft a further telegram to His Majesty's Ambassador at Rome on the general lines mentioned in the course of the discussion.

(2) That the telegram should be circulated later in the day. (For telegram as despatched see No. 284 to Mr. Ingram dated 8th September, 1937).[11]

[11] No. 140.

No. 145

Sir N. Henderson (Berlin) to Mr. Eden (Received September 10)

No. 817 [*C 6354/4222/18*]

BERLIN, *September 8, 1937*

Sir,

I have the honour to report that, as is customary, Herr Hess[1] formally opened the National-Socialist Party Congress, which began at Nuremberg on September 7th.

2. In his speech he announced that the Chancellor had decided that this year's Congress should receive the name of 'Congress of Work' in order to call attention to the achievements of the German people by its labour under the Standards of National-Socialism. He then described the abolition of unemployment, the expansion of industry, the disappearance of class warfare and the rise of the standard of living. All these were the achievements of National-Socialism, against which Communism was powerless. 'National-Socialism means Construction—Communism means Destruction. National-Socialism means joy in work—Communism mean forced Labour. National-Socialism means happiness and optimism—Communism means despair and hopelessness.'

3. On the conclusion of Herr Hess' verbose and uninspired oration Gauleiter Wagner read the Chancellor's Proclamation, of which I have the honour to enclose a translation herewith.[2] 'The Congress of Labour' is the motif of this document, most of which is devoted to explaining, defending and claiming credit for the labour and social policy of the Government. Here Herr Hitler has nothing new to say.

4. The most interesting passage to Englishmen is his reference to the colonial question. Here Herr Hitler uses language more unrestrained than he has yet done on this subject. He infers, if he does not say so explicitly, that the colonies have been stolen from Germany and he raises the moral issue. At the same time he talks of the incomprehensibility of the attitude of the colonial

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[1] Rudolf Hess had been Chairman of the Central Committee of the Nazi Party since 1932, and Herr Hitler's deputy as Leader since 1933.

[2] The translation, amounting to twenty pages of typescript, is not printed here. The substance of the speech is printed in N. H. Baynes, *The Speeches of Adolf Hitler, April 1922–August 1939*, vol. ii (London, 1942), pp. 1357–8. See also *The Times*, September 8, 1937, pp. 12 and 14.

Powers. This passage, I am told, aroused the greatest enthusiasm. Nevertheless Herr Hitler still spoke in general terms and I must confess that I anticipated something more precise and categorical on this occasion.

5. Other noteworthy paragraphs are those dealing with German relations with Italy and Japan.

6. You will also notice that Herr Hitler develops his favourite theme, namely that the world is confronted with the choice between the communist and the totalitarian régimes. The old order has passed away and the maintenance of civilisation depends on the destruction of the communist menace. 'Those who are not with me are against me' is the implicit conclusion.[3]

I have, etc.,
Nevile Henderson

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[3] In a minute dated September 10 Mr. W. I. Mallet of the Central Department remarked: 'In addition to the passages to which Sir N. Henderson draws attention the Proclamation contains (on p. 18 of the translation) a declaration that "the Treaty of Versailles is dead". This, I think, goes further than Hitler has yet gone. In his speech of 31 Jan last [see Volume XVIII, No. 129] he declared: "I hereby declare that that portion of the Treaty of Versailles which deprived our people of equality and degraded it to a second-rate people has found its natural end". By stating that the Treaty is dead Hitler appears to imply that he now is no longer bound by the territorial provisions either.'

No. 146

Letter from Sir G. Mounsey to Mr. Lloyd Thomas (Paris)

[*W 16957/16618/41*]

FOREIGN OFFICE, *September 8, 1937*

My dear Hugh,

Your telegrams 507[1] and 512 Saving[1] of September 3rd and 6th respectively informing us of the French press comments on the proposed Mediterranean Conference inspire me to let you know very shortly what actually passed here in regard to the composition of the proposed Conference.

The proposals which the French Government originally put forward through Cambon contained the suggestion in the following terms: the British and French Delegations at Geneva should endeavour to 'arrange' a meeting of the Mediterranean Powers—France, Great Britain, Greece, Turkey, Egypt and Yugoslavia—who would examine the best means of assuring the protection of navigation and of air lines in the Mediterranean. It would, moreover, be advisable to consider whether the Riparian States of the Black Sea—the Union of Soviet Socialist Republics, Bulgaria and Roumania—should not participate in this meeting.

In discussing this suggestion with Cambon the Secretary of State expressed the view that the preferable course would be a Conference of Mediterranean

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[1] Not printed.

Powers to be summoned at or near Geneva simultaneously with the meeting of the Council and Assembly of the League. Such a Conference could usefully consider the means of securing protection in the Mediterranean for merchant shipping.[2]

The Secretary of State's proposal was submitted to Paris and on Saturday morning a reply was received from which it appeared that the French Government still contemplated the exclusion of Italy from the Mediterranean Powers and further that they insisted upon the inclusion of Soviet Russia in the proposed Conference.[3] The whole of Saturday was spent in vigorous discussions on these two important points and as the French Government refused to move from their position with regard to the inclusion of Soviet Russia it was finally necessary to include, as well as Italy, Russia and the other two Black Sea Powers together with Germany whose inclusion under these conditions the French Government professed themselves ready to accept.

The Secretary of State had two conversations with Delbos on the telephone on Saturday afternoon, and what finally decided him to yield to Delbos' demand for Russian inclusion was the usual plea which French Ministers always put forward when hard pressed, namely that if we insisted on excluding Russia, he, Delbos, would have to resign and we should be responsible for a Ministerial crisis in France! Eventually, when the Secretary of State did agree to Russia's inclusion, he impressed upon Delbos that if things went wrong and Russia tried to torpedo the Conference, it would be the French Government's responsibility. This was indeed a prophetic warning in view of the bombshell which Russia dropped into the Conference yesterday.[4] I suppose Delbos did not know beforehand what Litvinoff was plotting, but that he would try on something of the sort in order to stir up trouble was quite obvious all along, and we made our suspicions known quite clearly to the French on Saturday.

You may imagine our surprise and indignation on taking up our papers on Monday morning at learning that in Paris it was considered that the prospects of the Conference had been jeopardized by its extension to such an unnecessary number of participants and that the French Government themselves would have preferred that it should be restricted to Mediterranean Powers.[5]

I think it is just as well that you should know the true position as these criticisms from Paris are wholly unfair and by no means calculated to make the Conference, if it should take place, a success.

Yours ever,
GEORGE MOUNSEY

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[2] See No. 116. [3] See No. 120, note 1. [4] Cf. No. 127.

[5] Replying, however, on September 10 to Sir G. Mounsey's letter, Mr. Lloyd Thomas said with regard to this paragraph that the French press 'has never taken the line that the prospects of the Conference had been jeopardised by its extension to such an unnecessary number of participants'. He thought that Sir G. Mounsey's letter must have been prompted by a message which appeared in *The Times* of September 6, sent by a correspondent who had 'only lately arrived in Paris'. See *The Times*, September 6, 1937, p. 12.

No. 147

Mr. Ingram (Rome) to Foreign Office[1] *(Received September 9, 5 p.m.)*

No. 494 Telegraphic [*W 17015/16618/41*]

ROME, *September 9, 1937, 2.10 p.m.*

My immediately preceding telegram.[2]

In handing us Italian reply the Minister for Foreign Affairs emphasised that so far as Nyon was concerned it was neither wholly negative nor wholly affirmative. His reply had been he told us concerted with Berlin.[3] Italy was ready to make distinction between entering a new conference with Moscow and walking out of London Committee. His Excellency then emphasised advantages of using London Committee to deal with situation. It already contained all the Powers whom France and the United Kingdom had convoked to Nyon it had all the technical experts at its disposal and it included other Powers such as Poland and Portugal (particularly the latter) who could not be said to be disinterested. Portugal he maintained was particularly aggrieved at being left out of Nyon.[4]

Repeated to Paris and Moscow.

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[1] Mr. Eden flew to Paris on the afternoon of September 9, to dine with M. Delbos before they both left for Geneva. It had been agreed by the Cabinet on September 8 that Lord Cranborne, Lord Chatfield, and Sir R. Vansittart should accompany Mr. Eden to the Nyon Conference.

[2] Telegram No. 493, telephoned to the Foreign Office at 12.30 p.m. on September 9, gave the full text of the Italian reply to the invitation to the Nyon Conference. It stated that the Italian Government had been favourably considering their acceptance when the Russian note of September 6 (see No. 127) arrived and altered the situation: they must postpone any affirmative decision until the incident created by the Russian note had been satisfactorily settled.

[3] Sir N. Henderson's telegram No. 215 of September 9 gave the text of the German Government's reply, which amounted to a refusal to attend in view of the Italian attitude: see *D.G.F.P.*, *op. cit.*, No. 417. Both Governments in their replies suggested that the matter should be dealt with by the Non-Intervention Committee in London.

[4] In telegram No. 495 of September 9 Mr. Ingram gave his personal view that 'so far as Nyon is concerned the door though technically open is only just ajar unless Moscow could be persuaded to withdraw notes on condition that their subject matter be threshed out before non-intervention committee without delay'.

No. 148

Mr. Ingram (Rome) to Foreign Office (Received September 9, 6 p.m.)

No. 496 Telegraphic [*W 16989/16618/41*]

ROME, *September 9, 1937, 3.45 p.m.*

My immediately preceding telegram.[1]

Minister for Foreign Affairs told French Chargé d'Affaires and myself this morning that there would be no reply to second Soviet note.[2] Italy would take no further action in the matter nor was she contemplating rupture of relations with Moscow.

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[1] See No. 147, note 4.

For the moment the matter was closed except in so far as it affected Italy's attitude towards Nyon conference. Next step rested with Moscow. Though he did not say as much I suspect that he wished us to infer that others might lend a helping hand. Meanwhile he gave us the impression that nothing would make him budge from attitude he had taken up.[3]

Repeated to Paris and Moscow.

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[2] Cf. No. 138.

[3] Mr. Ingram's telegram No. 499 of September 9 recorded a further conversation in which he asked whether Count Ciano would be prepared for the London N.I. Committee to discuss details of the Russian charges. 'His Excellency said that of course that was a possibility as people seemed to hurl insults at each other there without diplomatic incidents ensuing.'

No. 149

Sir E. Phipps (Paris) to Foreign Office (Received September 9, 8.30 p.m.)

No. 165 Telegraphic: by telephone [*W 16951/16618/41*]

PARIS, *September 9, 1937*

Following immediate telegram No. 22 received from Rome:

Following for Mr. Eden.[1]

I have just seen Minister for Foreign Affairs who drew my attention to press message from London indicating that it had been decided to convene conference at Nyon on Friday[2] and submit its resolutions in form of proposals to Non-Intervention Committee in London. He gave me to understand that this might well be a way out acceptable to his Government.

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[1] Cf. No. 147, note 1.

[2] September 10.

No. 150

Mr. Ingram (Rome) to Foreign Office (Received September 10, 9.30 a.m.)

No. 500 Telegraphic [*W 17030/16618/41*]

ROME, *September 9, 1937, 11.50 p.m.*

Following for Mr. Eden.

My telegram No. 22 to Paris.[1]

If so be that rumour to which Minister for Foreign Affairs referred is correct I feel sure he would appreciate it if I might be allowed to communicate proposed procedure to His Excellency instead of his learning it through the press. If as this evening's Stefani report from London indicates conclusions to be reached at Nyon will be simply in nature of proposals to be submitted to London committee and will not have any executive force until Italy has agreed to them, then all may yet be well.

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[1] See No. 149.

2. I cannot disguise from you however my apprehensions lest Nyon should meet without Italy and at same time without any provision for submitting its conclusions to a body which included Italy. Were this to happen is there not a real danger of strengthening Berlin-Rome axis, of imperilling prospect of Anglo-Italian conversations with consequent repercussions in Africa and Near East, of further hardening a European situation which is still liquid and of delaying possibly for an unpredictable period chances of coming to terms with Italy and/or Germany? Might not others besides Italy and not excluding ourselves eventually incur charge of having fallen into Russian trap?[2]

Repeated to Geneva.

[2] The background of this telegram is indicated in a further passage from Mr. Ingram's private letter of September 10 (cf. No. 129, note 2 above). He wrote: 'Yesterday, September 9th, I and Blondel received the Italian reply, and we met together for lunch in order to have a discussion about it. On this occasion, when I said that I was seriously contemplating sending a telegram to point out the dangers of entering upon the conference at Nyon without Italy, unless machinery were evolved for referring its conclusions to Italy in some form or another, I found Blondel very reluctant to move any further in the matter. He insisted that it was not his function to do more than report on the state of affairs in Italy, and that suggestions as to policy from French foreign missions abroad were not welcome at the Quai d'Orsay, who liked to think that they alone had the prerogative of formulating policy. He then launched out into a long disquisition about choosing the right moment to have a show-down . . .'

No. 151

Mr. Ingram (Rome) to Foreign Office (Received September 10, 9.30 a.m.)

No. 501 Telegraphic [*R 6093/1/22*]

ROME, *September 9, 1937, 11.50 p.m.*

Following for Mr. Eden.

Your telegram No. 284.[1]

I gave Minister for Foreign Affairs this evening aide-mémoire[2] embodying gist of your telegram under reference. I told him that its contents had arrived too late for communication to him before I saw him this morning to receive his reply to our invitation. I was sorry they had not arrived earlier. His Excellency interposed that nothing could have altered terms of reply. I went on to say he must not regard what I had to say and what was contained in aide-mémoire as other than a friendly and frank statement of point of view of His Majesty's Government towards present state of Anglo-Italian relations and possibilities of Geneva. I could not conceal from him that there were many people in the world who regarded Italian manifestations and Signor Mussolini's telegrams on fall of Santander[3] as an official glorification of official Italian intervention in Spain. These people argued that if this sort of thing could happen on land it might be happening at sea also. They might be right or they might be wrong but it would be unkindness not to tell him frankly that this was the opinion in many quarters. Suspicions had been aroused and were again clouding the atmosphere.

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[1] No. 140.
[2] Not printed (R 6126/1/22).
[3] See No. 108, note 4.

Count Ciano reiterated his anxiety for British friendship, he pointed to the calm which had come on the world as soon as there was prospect of Italy and England reaching an understanding. He deprecated however any linking up of *de jure* recognition with extraneous matters such as Spain.

I begged His Excellency to regard aide-mémoire not as a matter for discussion but as a statement of fact. What I wanted him to do was to believe in our desire to have a successful issue for conversations and as a corollary in absolute necessity for clearing the atmosphere of Mediterranean suspicions before this could be achieved.

Repeated to Geneva.

No. 152

Mr. C. A. Edmond[1] *(Geneva) to Foreign Office (Received September 10, 4.10 p.m.)*

No. 25 Telegraphic [*W 17091/16618/41*]

GENEVA, *September 10, 1937, 2.30 p.m.*

Addressed to Rome No. 4 September 10th and Berlin.

Following from Secretary of State.

Please concert with your French colleague and deliver the following communication.

1. French and British Governments take note with regret of reply of government to which you are accredited to invitation to be represented at Nyon conference.

2. Question of illegal attacks in the Mediterranean seems to them one of special character of urgency and importance and they do not consider it feasible to refer it to Non-Intervention Committee.

3. Conference is therefore commencing its labours. The convening countries will hold themselves responsible for keeping government to which you are accredited informed of progress of conference.

Repeated to Paris.

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[1] H.M. Consul at Geneva.

No. 153

Mr. Lloyd Thomas (Paris) to Foreign Office (Received September 13)

No. 1092 [*C 6429/1/18*]

Confidential PARIS, *September 10, 1937*

Sir,

With reference to your despatch No. 1604 (C 5745/1/18) of August 13th last[1] concerning the attitude of Poland towards the proposed Western Pact, I have the honour to state that I was informed by the Permanent Under-Secretary of State at the Quai d'Orsay on September 8th that the French Government maintain their position in this matter as reported in my Secret letter to Mr. Strang of July 3rd last.[2] M. Léger said that if and when the Western Pact is concluded the French Government propose to proceed at once to the elaboration of a further arrangement which would cover Czechoslovakia, Poland and Russia, but that they were determined to resist any participation by Poland in the present negotiations for a Western Pact. If Poland were included, he added, it would be impossible to exclude Russia and Czechoslovakia, who were by the terms of their treaties with France also closely connected with the Treaty of Locarno. The connexion of Russia, he admitted, was less close, but it was none the less established by article II of the Franco-Soviet Pact. The Western Pact would then assume the proportions of a general European settlement, and the prospect of an agreement, already slight enough, would vanish entirely.

2. A record of the above conversation with M. Léger was given to the British Delegation to Geneva on their way through Paris on September 9th.

I have, etc.,

H. LLOYD THOMAS

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[1] Not kept in F.O. archives: it apparently transmitted copies of a minute by Mr. Baxter of a conversation with M. Cambon on August 7, and a minute by Mr. Strang of a further conversation with M. Cambon on August 11 to discuss the Polish demand to be included in the proposed Western Pact.

[2] Not printed: cf. Volume XVIII, No. 621, note 3.

No 154

Mr. Edmond (Geneva) to Foreign Office (Received September 11, 12.20 p.m.)

No. 27 Telegraphic [*W 17093/16618/41*]

GENEVA, *September 11, 1937, 10.55 a.m.*

Meeting was held this morning[1] between United Kingdom and French delegations at which agreement was reached upon results which it should be their joint purpose to achieve at Nyon conference and upon procedure to be adopted at opening meeting.

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[1] i.e. September 10. This was an informal meeting starting at 10.30 a.m. to enable the two delegations to coordinate plans for the conference: cf. *D.D.F., op. cit.*, No. 421.

2. It was agreed that aim of conference should be so to organise naval forces available in Mediterranean as to be able to deal promptly with illegitimate attacks on shipping. In order that measures might be taken without delay to deal with attacks by submarines agenda at Nyon should be limited to this question, an announcement being made at the same time that questions of attacks by surface vessels and aircraft should be subsequently examined by conference at Geneva during the course of the League Assembly.

3. It is proposed that joint proposals shall be tabled at this afternoon's meeting in the sense of those set out in C.P. 213(37) page 14[2] subject to verbal alterations and to following amendments:

Paragraph 3. Add 'in circumstances which give good grounds for the belief that submarine was guilty of attack'; for paragraph 4 substitute the following: 'above instructions shall remain in force as long as necessary but may be reviewed periodically'.

It was agreed that new paragraph should be added in the following sense. In order to simplify operation of above measures the Powers concerned would deny the use of the Mediterranean to their own submarines except

(a) each Power reserves certain areas adjacent to defined ports in which its submarines should be exempted from above restrictions and

(b) submarines might proceed on passage after notification to other Powers but only on the surface and accompanied by surface ship.

It was agreed that Mediterranean should be divided into zones in which each fleet would operate. Naval experts of both delegations are working out scheme for this purpose.

5. At the request of Monsieur Delbos I agreed to consider urgently possibility of devising measures for preventing abuse of flag.[3]

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[2] See No. 134, penultimate paragraph. The page reference should read 'iv'.

[3] The first plenary meeting of the conference took place on September 10 at 4.30 p.m. at a public sitting, and was opened by M. Schranz, the Syndic of Nyon. After a speech of welcome dealing largely with the history and amenities of Nyon, he asked for proposals for the presidency of the conference: Mr. Eden proposed M. Delbos, who was unanimously elected. M. Delbos described the purpose of the conference as a rapid agreement to 'put an end to the state of piracy, and an immediate lessening of the intolerable tension which at present exists in the Mediterranean'. M. Aghnides was elected Secretary-General. The proceedings were enlivened by M. Litvinov in a polemical speech denouncing piracy and referring to the recent loss of two Soviet commercial vessels. Mr. Eden followed: he refrained from any general comment and called on the conference to turn to its immediate task and 'press it to a speedy conclusion'. The first private session of the conference followed at 5.40 p.m.: minutes of the discussion are printed in *D.D.F., op. cit.*, No. 423. The countries taking part in the conference were the United Kingdom, Bulgaria, Egypt, France, Greece, Roumania, Turkey, the U.S.S.R., and Yugoslavia.

No. 155

Mr. Edmond (Geneva) to Foreign Office (Received September 11, 3.50 p.m.)

No. 28 Telegraphic [*W 17243/7/41*]

GENEVA, *September 11, 1937, 2.55 p.m.*

Following from Secretary of State for Lord Plymouth:

My telegram No. 27.[1]

As all available British and French destroyers will be required for operations against submarines it became clear that it could not be possible for the two fleets to continue to undertake patrol duties on Spanish coast assigned to them by the Non-Intervention Committee. French Minister for Foreign Affairs and I agreed accordingly that there was no alternative to the naval patrols being discontinued and that a communication in this sense should be made at the first suitable opportunity by British and French representatives at the Non-Intervention Committee.[2]

Repeated to Paris, Berlin and Rome Saving.

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[1] No. 154.

[2] This decision was conveyed to C. in C.'s Home Fleet and Mediterranean by messages dated September 12.

No. 156

Mr. Edmond (Geneva) to Foreign Office (Received September 11, 11 p.m.)

No. 30 Telegraphic: by telephone [*W 17095/16618/41*]

GENEVA, *September 11, 1937*

Following from Secretary of State.

Following is text of Agreement reached this afternoon[1] at Nyon, subject where necessary to approval of respective Governments. It is hoped that necessary instructions will be received by delegates in time to permit of signature not later than Wednesday next September 15th.

Summary of Agreement has been issued to Press this evening.

The undersigned, being authorised to this effect by their respective Governments have met in conference at Nyon between the 9th and the September 1937 and have agreed upon the following provisions which shall enter immediately into force:

Whereas arising out of the Spanish conflict attacks have been repeatedly committed in the Mediterranean by submarines against merchant ships not belonging to either of the conflicting Spanish parties: and

Whereas these attacks are violations of the Rules of International Law referred to in Part IV of the Treaty of London of April 22, 1930 with regard to the sinking of merchant ships and constitute acts contrary to the most elementary dictates of humanity which should be justly treated as acts of piracy; and

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[1] i.e. at the second (private) meeting of the conference, beginning at 4.30 p.m. See *D.D.F.*, *op. cit.*, No. 426 for minutes of this meeting.

Whereas without in any way admitting the right of either party to the conflict in Spain to exercise belligerent rights or to interfere with merchant ships on the high seas even if the laws of warfare at sea are observed and without prejudice to the right of any participating Power to take such action as may be proper to protect its merchant shipping from any kind of interference on the High Seas or to the possibility of further collective measures being agreed upon subsequently, the Powers, participating in the present resolution think it necessary in the first place to agree upon the following special collective measures against piratical acts by submarines:

1. The participating Powers will instruct their naval forces to take the action indicated in paragraphs 2 and 3 below with a view to the protection of all merchant ships not belonging to either of the conflicting Spanish parties.
2. Any submarine which attacks such a ship in a manner contrary to the Rules of International Law referred to in the Treaty for the Limitation and Reduction of Naval Armaments signed in London on April 22, 1930 and confirmed in the Protocol signed in London November 6th, 1936, shall be counter-attacked and if possible destroyed.
3. The instruction mentioned in the preceding paragraph shall extend to any submarine encountered in the vicinity of a position where a ship not belonging to either of the conflicting Spanish parties has recently been attacked in violation of the rules referred to in the preceding paragraph in circumstances which give valid grounds for the belief that the submarine was guilty of the attack.
4. In order to facilitate the putting into force of the above arrangements in a practical manner the participating Powers have agreed upon the following arrangements:

   (1) In the Western Mediterranean and in the Malta Channel, with the exception of the Tyrrhenean Sea, which may form the subject of special arrangements, the British and French fleets will operate both on the High Seas and in the territorial waters of the participating Powers in accordance with the division of the area agreed upon between the two Governments.

   (2) In the Eastern Mediterranean,
      (a) Each of the participating Powers will operate in its own territorial waters;
      (b) On the High Seas, with the exception of the Adriatic Sea, the British and French fleets will operate up to the entrance to the Dardanelles, in those areas where there is reason to apprehend danger to shipping, in accordance with the division of the area agreed upon between the two Governments. The other participating Governments possessing a

sea border on the Mediterranean undertake within the limits of their resources to furnish these fleets any assistance that may be asked for; in particular they will permit them to take action in their territorial waters and to use such of their ports as they shall indicate.

(3) It is further understood that the limits of the zones referred to in subparagraph (1) and (2) above, and their allocation shall be subject at any time to revision by the participating Powers in order to take account of any change in the situation.

5. The participating Powers agree that, in order to simplify the question of the above mentioned measures they will for their part restrict the use of their submarines in the Mediterranean in the following manner;

(a) Except as stated in (b) and (c) below, no submarine will be sent to sea within the Mediterranean.

(b) Submarines may proceed on passage after notification to the other participating Powers, provided that they proceed on the surface and are accompanied by a surface ship.

(c) Each participating Power reserves for purposes of exercises certain areas defined in the annexe hereto, in which its submarines are exempt from the restrictions mentioned in (a) or (b).

The participating Powers further undertake not to allow the presence, in their respective territorial waters, of any foreign submarines except in case of urgent distress or where the conditions prescribed in sub paragraph (b) above are fulfilled.

6. The participating Powers also agree that in order to simplify the problem involved in carrying out the measures above described, they will severally advise their merchant shipping to follow certain main routes in the Mediterranean to be agreed upon between them.

7. Nothing in the present agreement restricts the right of any participating Power to send its surface vessels to any part of the Mediterranean.

8. Nothing in the present agreement in any way prejudices existing international engagements which have been registered with the Secretariat of the League of Nations.

9. If any of the participating Powers notifies its intention of withdrawing from the present arrangement, the notification will take effect after the expiry of 30 days, and any of the other participating Powers may withdraw on the same date if it communicates its intention to this effect before that date.

10. Done at Nyon this day of 1937 in a single copy in the English and French languages, both texts being equally authentic.

No. 157

Sir N. Henderson (Berlin) to Foreign Office (Received September 12, 4.45 p.m.)

No. 218 Telegraphic [*C 6425/4222/18*]

BERLIN, *September 12, 1937, 3 p.m.*

I left Nürnberg last night after a visit of some thirty-six hours and returned to Berlin this morning. United States Chargé d'Affaires, Egyptian Minister and one or two others accompanied me. French Ambassador, who arrived at Nürnberg from Paris at the same time as myself, left in the early afternoon of yesterday as I had originally intended to do and would have done if it had not been for a visit to General Goering which I could not pay earlier.

Everything was extremely well-arranged and I neither saw nor listened to anything to which as His Majesty's Representative I could possibly object.[1] The entire Nazi party camp has in fact so far been conducted this year on much more sedate and national lines than heretofore. I attribute this partly to presence of entire diplomatic corps with the exception of Nuncio and Soviet Ambassador but still more so to greater self-confidence of all Germans from the Chancellor downwards in success of Nazi experiment and strength of Germany.

Apart from realization of this under current of self-confidence and causes for it my main impressions were the almost idolatrous adulation of Hitler and marvellous organization of Nazi system. I shall furnish you by bag with a report of the visit in general and of conversations which I had during my brief stay with Hitler, Goering, Goebbels and von Neurath.[2]

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[1] Cf. No. 60, note 2.

[2] See No. 160 below.

No. 158

Mr. Edmond (Geneva) to Foreign Office (Received September 12, 6.45 p.m.)

No. 31 Telegraphic [*W 17096/16618/41*]

GENEVA, *September 12, 1937, 4.20 p.m.*

Addressed to Rome telegram No. 6 of September 12th.

Following from Secretary of State:

You should concert with your French colleague and deliver to Italian Government on Monday September 13th the agreement reached at Nyon text of which is contained in my immediately following telegram.[1] You should accompany it by following communication *in writing*.

Begins: The Governments of France and His Majesty's Government as inviting governments in Nyon conference have the honour to communicate to Italian Government the agreement relating to suppression of piracy in

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[1] As in No. 156.

Mediterranean adopted by representatives of participating powers. They wish specially to draw attention of Italian Government to paragraph four (1) in which reference is made to Tyrrhenian Sea. They desire to explain that this provision has been inserted in order to provide for participation of Italy in measures agreed to at Nyon. Governments of France and His Majesty's Government have already expressed their regret that Italian Government felt unable to take part in deliberations at Nyon and they hope that it will prove possible for Italian Government to be associated with their labours. The practical expression of this hope is cordial invitation to Italian Government to undertake in Tyrrhenian Sea the measures described in the text [Ends].

Text of agreement is also being communicated to German Government.[2]

Repeated to Berlin.

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[2] In telegram No. 8 to Berlin from Geneva of September 12.

No. 159

Sir N. Henderson (Berlin) to Foreign Office (Received September 12, 9.20 p.m.)

No. 219 Telegraphic [*W 17135/16618/41*]

BERLIN, *September 12, 1937, 7.15 p.m.*

Addressed to Geneva No. 18 of September 12th.

Following for Secretary of State:

Baron von Neurath, whom I saw yesterday at Nuremberg, told me with some satisfaction that you had administered a rebuff to Monsieur Litvinov.[1] He appeared quite satisfied to be out of the conference and said that he hoped Germany would be able, if required, to co-operate in any final decisions which might be taken. There were, he added, no German submarines in any case in the Mediterranean. Also that, since there were no German sailors with Franco, he had been unable to find out exactly how many submarines the latter had. His reports varied between three and six.

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[1] Presumably a reference to the fact that Russian ships were not to be included in the patrol of the Mediterranean under the Nyon agreement.

No. 160

Sir N. Henderson (Berlin) to Foreign Office (Received September 16)

No. 831 [*C 6494/4222/18*]

Most Confidential BERLIN, *September 12, 1937*

Sir,

I have the honour to furnish you herewith with the following report on my visit to Nürnberg on the 10th and 11th instant to attend the National-Socialist Party Day.

2. I left Berlin on the evening of September 9th by the special train which had been reserved for those members of the Diplomatic Corps who had not gone to Nürnberg for the beginning of the meeting. Among these were the Chinese Ambassador, the Belgian, Dutch, Danish and Egyptian Ministers and the United States Chargé d'Affaires, etc. We were accompanied by a member of the Protocol and everything from beginning to end, tickets, food, motor cars, newspapers at Nürnberg, etc., was provided free of charge.

3. We arrived early in the morning of the 10th at Nürnberg, where our party was joined by the French Ambassador who had come direct there from Paris. To each foreign representative was attached an adjutant supplied by volunteers from the S.S.[1]; in my own case a lieutenant from that corps, by profession a lawyer in Berlin who had been born near Bradford and had served throughout the war as an artillery officer. He spoke English perfectly, had studied Karl Marx and proved a most agreeable guide and companion. Similarly to Mr. Gilbert, the United States Chargé d'Affaires, was attached an S.S. non-commissioned officer who, judging by his accent and behaviour, could never have been mistaken for anything else but a 100 per cent American from New York; though, in point of fact, he had learnt his language entirely in Ireland during the construction of the Shannon works, where he was employed as an engineer. Another instance of the attention given to every detail was the care with which, though we drove to the various functions in pairs, it was provided that, since His Majesty's Government do not recognise Franco, I should never find myself in the same motor as the Nationalist Spanish Ambassador, who happens to rank next to me in the hierarchy of the Diplomatic Corps.

4. I spent the morning of the 10th driving round the highly decorated and fascinating mediaeval town with its ancient and formerly impregnable ramparts, and getting some impression of the crowd. The predominant note was, of course, S.A.[2] brown shirts or S.S. black uniforms, but one was struck by the number of women in Bavarian national costume, the wearing of which is much encouraged by Hitler. All the troops and the various formations live outside the town in tents or temporary wooden accommodation, and the numbers who get Nürnberg leave is strictly limited to the street capacity at any given time of the city.

5. At 1.30 a lunch was given to the foreign representatives by Herr Hess in the old Burg on the top of the hill with its magnificent view over the town and the surrounding country. I was fortunate to find myself at lunch between the two men whom, on admittedly slight personal acquaintance but in accordance with the consensus of opinion, I distrust most in Germany—Dr. Goebbels and Herr Himmler, the leader of the S.S. and of all the police, secret and otherwise, in the country. After a somewhat sticky beginning with Goebbels, both made themselves extremely agreeable and a memorandum of my conversation with the Minister for Propaganda is attached to this report.[3]

6. After lunch we retired in a body to our diplomatic special trains, which were drawn up in a siding at the North station. Each representative was

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[1] *Schutz Staffeln.*

[2] *Sturm Abteilungen.*

[3] Annex I below.

allotted a double sleeping compartment and there were two general dining cars. During the brief interval between lunch and tea with the Chancellor, I had talks with Reuters' representative and Mr. Ward Price of the *Daily Mail.* I also saw the *Times* correspondent later.

7. At 4.30 we left again for the *Deutscher Hof*, the residence of the Chancellor during his stay in Nürnberg. Drawn up in line in the big drawing-room there, Hitler shook hands with each of us and we were then asked to sit down at small tables for tea. Most of the Ambassadors, headed by M. François-Poncet, the dean of the Diplomatic Corps, hurriedly made a semi-circle in front of Hitler, who was seated on a large sofa. The Chinaman, the Nationalist Spaniard and myself, being the junior Ambassadors present, were not included in this circle. After some twenty minutes, however, the head of the Protocol approached me where I was sitting with Baron von Neurath and the Chinese Ambassador and asked whether I would not join the circle. As there was no room except on the sofa where Hitler himself was sitting, I replied that I thought it better not, unless the Chancellor himself expressed the wish. Herr von Bülow Schwante however insisted, so I followed him across the room and was rewarded by being invited to share the sofa. As the other Ambassadors then promptly rose and left in a body, I had a few minutes alone with Hitler and was able to give the message which you, Sir, had instructed me to communicate to him. A report on our conversation is attached hereto.[4]

8. The reception was thereafter concluded by a speech of welcome by the Chancellor in which Hitler expressed the hope that more suitable accommodation would be found for his guests in the future when things would be better arranged. The French Ambassador as Dean replied on behalf of the diplomats. His allusion to a statement made by Goebbels in a speech on the day before about 'the liberal calves'[5] of more democratic countries, was regarded as Gallic wit and he ended with the graceful remark that, as the Party Day of 1937 was called the Meeting of Labour, the diplomatic train should be described this year as that of goodwill.

9. I also met at this party Herr von Ribbentrop and the new German Ambassador to Salamanca, Dr. von Stohrer, with whom I was previously acquainted when he was German Minister at Cairo. Possibly quite erroneously, Herr von Ribbentrop gave me the impression of being unfriendly. He has no justification for such an attitude since, though I hear from others many things which are disobliging towards him, I have always been careful to refrain from any criticism of him, however just I may feel it to be. The only conclusion I can draw is that his reception by Hitler has not been on this occasion as favourable as usual. If so he would have reason for gloom as, from all I hear, it may be said without exaggeration that Hitler is his only friend in this country.

10. From the *Deutscher Hof* we returned to the special train for an hour or so

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[4] Annex II below.

[5] For a brief report of Dr. Goebbels' speech on September 9, see *The Times*, September 10, 1937, p. 12. For M. François-Poncet's own version of his witticism see his memoirs, *Souvenirs d'une Ambassade à Berlin* (Paris, 1946), p. 270.

before proceeding to the Stadium (*Zeppelinfeld*) for the gathering of the Political Leaders of the Nazi Party, i.e. the heads of the Party organisation in the towns and villages throughout the country. This began at about 8 p.m. One hundred and forty thousand of these leaders in brown shirts were drawn up, partly in six huge columns in the stadium itself and partly in the surrounding tiers, the big new northern block facing the stadium being reserved for the Chancellor, his special guards, bands, visitors and spectators, etc. To get to his platform Hitler, with some hundred of his followers, marched on foot from the southern end of the stadium amidst great applause up the broad middle lane, some 3-4 hundred yards long, to the central block. On his arrival at the far end and as he entered the stadium the 300 huge search-lights surrounding it were turned up into the air, each throwing a broad blue beam some 20,000 feet or more into the sky, where the lights converged to make a square roof which a chance cloud made even more realistic. The effect, both solemn and beautiful, was something like being inside a cathedral of ice. At the word of command 32,000 standard bearers then advanced from out of sight at the southern end up the main lane and over the furthest tiers and down the four side lanes. The standards were illuminated by lights of the shafts of a certain proportion of them and the spectacle of these five rivers of red and gold, one broad and four smaller, rippling slowly forward under the dome of blue lights through the massed formations of brown shirts, and absolutely silently, till, about a hundred yards from where we were sitting, suddenly the tramp of feet was heard, was indescribably beautiful. I have never seen a ballet to touch it. Speeches were then made, adulatory by the spokesman of the Political Leaders on the one hand, confident and under the emotion of great achievement by Hitler on the other. Nor should criticism be carping. The visible result of Hitlerism was only too obvious. As he himself said in his speech, these party leaders, 140,000 strong, represented two million men, of whom only 3 per cent, and that he added still too much, were paid for their services. 97 per cent was entirely voluntary and they certainly represented force as well as creating a scene of beauty.

11. The whole ceremony lasted little over an hour, after which we retired to our special train to supper and to bed.

12. In the night it started to pour with rain and it was still raining hard when we set out again before 9 a.m. to attend the rally of the Hitler Youth. The rain occasioned for the diplomats the only hitch in arrangements which were otherwise unexceptionable. Owing to the weather and in order to save the youth from standing out too long in the downpour, the hour of the meeting was unexpectedly advanced and the diplomats thus arrived simultaneously with Hitler—a contretemps which involved a hundred yards walk in the mud for the diplomats and some fluster. The rally of the youth was held in a smaller stadium with a grass lawn. Here were gathered 48,000 boys and 5,000 girls, mostly in the surrounding tiers of seats but with some 11,000 of the senior youths between seventeen and eighteen years old drawn up in column in the middle. These latter were they who were being allowed by selection to join the Party this year and were to swear the oath of fidelity to

Adolf Hitler and duty to the Party for the honour and greatness of Germany. Standards, music and singing again played the big part, the standard-bearers advancing from opposite sides and interweaving in front of the Führer. Three speeches were made; by Baldur von Schirach, the leader of the Hitler Youth, by Hitler himself and by Herr Hess, who administered the oath, which was sworn with great fervour by the 11,000 odd boys in the middle. I was struck by von Schirach's address which was delivered in a pleasant voice, was brief and very much to the point. However adulatory to Hitler, I could well imagine youth being stirred by it. After referring to the two innovations of this year, the Adolf Hitler schools (a form of secondary schools destined particularly to educate up leaders for the nation) and certain new sporting competitions, he said, incidentally, speaking to the boys: 'When I look at you, my comrades, I do not know whether your fathers are rich or poor. But I do know that it is you who are the youth of National-Socialism. I do not know if you are Protestants or Catholics, but that you believe in God, that I do know.' Hitler himself began by making a point out of the bad weather: Germany, he said, had suffered from such weather conditions for fifteen years, and the struggle had been long and hard in order that the sun should rise again over Germany. 'And', he added with that new note of confidence which so impressed me everywhere at Nürnberg, 'it has risen'.

13. General Blomberg was present at this meeting but I did not manage to get an opportunity to speak to him as I should have liked to do. In the course of the morning, however, I called on Baron von Neurath who has very inadequate temporary offices for his Ministry at the Grand Hotel. A record of this conversation is also attached hereto.[6]

14. Lunch was taken on the special train. Owing to the weather the afternoon show consisting of semi-military sports was cancelled so far as concerned the diplomats, who were invited instead to a war cinema performance. I had, however, arranged to see General Goering that afternoon in the little shooting lodge which he occupied for the Nürnberg meeting, some forty minutes' drive outside the town. Thither I proceeded about 4 p.m. and the report of my conversation with him is contained in the fourth annex to this report.[7]

15. The final act of these busy thirty-six hours consisted in a supper party given by the S.S. Leader, Herr Himmler, in his camp of 25,000 S.S. men under tents on the outskirts of the town. A further 25,000 S.S. are on duty during the meeting as guards, traffic managers and police in Nürnberg itself. In the camp, which is a self-contained unit, all are voluntary visitors to Nürnberg from every part of the country, and a tougher set of guys I have rarely seen. But discipline is strict in this élite of the German paramilitary formations, numbering well over 200,000 altogether. Everyone has to be back in camp unless specially authorised by 6 p.m. and lights out by 9.30. Supper, consisting of the famous Nürnberg sausages with cabbage and potato salad, cheese and Bavarian beer, was held in a large tent holding some 300 persons. Himmler made a brief speech of welcome to his guests and the Polish

[6] Annex III below.

[7] Annex IV below.

Ambassador replied on behalf of the latter. Each of the guests received a bowl of S.S. china filled with sweets, the china being made in a special S.S. pottery run, so I understand, on voluntary lines. At the supper I found myself sitting between Frau von Ribbentrop and Herr Bohle, the leader of the organisation of Germans abroad. Opposite me was the German Ambassador at Rome, Herr von Hassell, who as Minister at Belgrade was a good friend of mine. Among the guests of honour were the two Mitford girls whom as vamps of Hitler I would have been glad to meet, but I failed to make their acquaintance.[8] A number of Italian officers, the advance party of the Mussolini visit, were much in evidence.[9] Herr Bohle told me that he was proceeding to London in the first days of October to lecture in some hall on the Nazi organisations abroad and mentioned that the *Evening Standard* had arranged a 'man to man talk' between him and Mr. Winston Churchill.I was astonished to hear from Herr Bohle that the total number of members of the Nazi Party in London was only 280 or at most 300. He has recently divested himself of his British nationality. His younger sister, who is married to an American from Philadelphia living in Berlin, has, however, so he told me, remained a British subject.

16. During supper a number of songs were sung by a detachment of S.S. troopers and after supper there was a tattoo for the lowering of the swastika camp flag. The music, as well as the bearing and drill of the special detachment, was exceptionally good. But the camp in the darkness, though partly lit up by electric light and flares, with the black uniforms in the silent background, and the skull and crossbones on the drums and trumpets lent to the scene a somewhat sinister and menacing impression. Under that temporary impression I left, together with the United States Chargé d'Affaires, the Egyptian and one or two other Ministers, direct to catch the train about 11.30 p.m. for Berlin, whither I returned at 7.15 a.m. this morning.

17. I have already described, in my telegram No. 218[10] the chief impressions created on me by this visit and by the proceedings so far of the 1937 Nürnberg Party Day. I would repeat that, in the first place, so far as it was possible in the cramped quarters of a train (three nights and two days altogether was my personal experience) everything was done to make our accommodation as comfortable as possible. Telephones were provided in each compartment, the food and drink was excellent, a motor car always at one's disposal, one's adjutant always at hand and the officials of the Protocol unremittingly attentive. Throughout my stay I neither saw nor heard anything to which as His Majesty's Representative I could properly have taken exception. Had I studied every speech made by excitable leaders on occasions at which I was not present, I might well have found food for criticism. But that, I submit,is hardly the point. In general and up to date, the

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[8] The 'two Mitford girls' referred to were Unity and Diana (Lady Mosley): see David Pryce Jones, *Unity Mitford—A Quest* (London, 1976), pp. 177–8.

[9] Signor Mussolini visited Germany September 25–29: see Nos. 215 and 225 below.

[10] No. 157.

Party meeting of 1937 has, in fact, been conducted on much more sedate and quieter lines than hitherto. This I attribute in part to the presence in Nürnberg for the first time of the whole Diplomatic Body with the exception of the Papal Nuncio and the Soviet Representative. But to a greater extent this improvement is due to the growing confidence of Hitler and of every German in the strength of Germany and the success of the Nazi experiment.

18. There is, indeed, no doubt whatsoever that we are here witnessing in Germany the rebirth, the reorganisation and the unification of the German nation. One may criticise and disapprove, one may throughly dislike the threatened consummation and be apprehensive of its potentialities. But let us make no mistake. A machine is being built up in Germany, which in the course of this generation, if it proceeds unchecked, as there is no reason to believe that it will not, will be extraordinarily formidable. The system was started less than five years ago but the amazing energy and thoroughness with which it has been enforced in those few years has already made it redoubtable enough. To-day Germany, as was reported in my despatch No. 793 of September 1,[11] can no longer be attacked with impunity; not even by a combination of forces. After a few more years aggressive action will be well within its scope. It is to confidence in this German strength, the realisation of achievement, optimism and faith in the future that I mainly attribute the greater calm and sedateness of the 1937 meeting. The need for ballyhoo propaganda and startling effect, for furious declamation and frenzied[12] incentive is diminishing. Germany to-day feels that she can not only afford to wait, but by waiting will be yet stronger and more sure of her goal.[13] And the big goal is German unity. Of that let there be no mistake either; and, if we intend definitely to oppose it, we should lose no time in asking ourselves the first and capital question 'How?'

19. Be that as it may,as I reported in my despatch above quoted and as General Goering admitted to me yesterday, the one and only fly in the German ointment is economics. The system is beginning to show concrete results and the general outcome is to-day an exceedingly, and to-morrow an abnormally, powerful and dangerous nation, confident in its own strength. Hitler himself alluded to this in his opening proclamation when he said that the Versailles Treaty was dead, Germany was free and her safety guaranteed by her own force. That statement, together with his insistence on the actual achievements and the ideology of his régime, I regard as the keynote of the meeting of 1937. In the background stand the unity of the German peoples and the reminder that Germany means to persist in her demand for colonies.

20. Nevertheless the watchword for the moment is, I am convinced, to go slow—because it will pay for Germany to go slow. Germany does not want

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[11] No. 112.

[12] A marginal comment, apparently by Sir O. Sargent, read: 'there was a good deal of it in Hitler's and Goebbels' speeches.'

[13] A marginal comment by Mr. Eden here read: 'Others who have not been at Nuremberg for the first time speak differently: they say that there was more than a tinge of depression and anxiety in the atmosphere. A.E.'

adventure, lest adventure risk the success of the young organisation which is beginning to show such wonderful results. General Goering asked me yesterday whom I regarded as the greatest winners of the world war. I replied 'the Slav nations'. 'No', said Goering, 'Germany'; for without its disasters Germany could never have achieved that unity and regeneration which she was now in course of accomplishing. There are signs, also, that Hitler himself is beginning to feel himself hampered by the excessive zeal of some of his deputies. Baron von Neurath told me that the Chancellor had recently asked him where a good man could be found to explain to the foreign world the true aims and constitution of Nazism. According to von Neurath, this enquiry had struck him as a criticism of Goebbels' capacity for antagonising foreign public opinion. Herr Bohle's forthcoming visit to London gave me similarly the impression of being undertaken at Hitler's orders, and Bohle's language to me was of the most moderate and reasonable nature. All this leads me to believe that we are perhaps entering upon a quieter phase of Nazism, of which the first indication has been the greater tranquillity of the 1937 meeting. The excesses of subordinates cannot be checked in a moment's time; they will continue, nor will any definite aim be abandoned, with Austria as the first objective. I would interpolate in this connection that, in my opinion, the crux of the forthcoming Mussolini visit will not be the Berlin-Rome axis against the world, but rather the future of Austria. Nevertheless Hitler himself contemplates, I believe, setting his course on lines of greater, always from the German point of view let it be said, reasonableness.

21. This leads me to a second definite impression, which I did not mention in my above quoted telegram, namely a renewal of hope in the achievement of good relations with Great Britain. Evidence of this is given in the accompanying memoranda, but I would state here that Hitler's desire for greater reasonableness is, I believe, part of this renewed belief in the possibility of an Anglo-German understanding. By what he regards as reasonableness, he hopes to conciliate the good opinion of England.

22. My third definite impression is the increasing adulation, amounting almost to idolisation, of Hitler himself. He must indeed have a strong head if he is to continue to keep his balance in the floods of incense with which he is surrounded.[14] I must admit that so far I see no very visible sign of this worship going to his head. But he will have to be superhuman to resist it. I sometimes wonder whether Nazism would best be served by his continuing to lead and direct it, or by his disappearance. In the latter event, especially if it be martyrdom, the Hitler tradition might well prove a religion which would be in the end even more formidable than the man himself who, being fallible, must ultimately make mistakes which so far, it must be recognised, he has succeeded in avoiding. As a national force Nazism is infinitely more to be feared than Fascism owing to the different characteristics of the two peoples. From the point of view of organisation, discipline and malleableness the Italian cannot be compared to the German race. Germany is admittedly

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[14] Marginal comment by Mr. Eden: 'But there is also much more criticism in Germany. A.E.'

subject to great ups and downs but for this generation, which is what chiefly matters to us, Germany is being drilled to think and, if necessary to act, as one man wishes her to do.[15]

I have, etc.,
NEVILE HENDERSON

[15] In comments on this despatch, Mr. Strang (September 17) described it as of 'the first importance' and noted that both 'the Palace and No. 10 . . . have asked for copies as soon as conveniently possible'. Sir A. Cadogan did not think 'that anything very new emerges from the despatch or the conversations (unless it be that Baron von Neurath was very outspoken about Austria),' but he thought that 'the Ambassador's attendance at the Party meeting has been useful in enabling him to make and improve contacts . . . A.C. Sept. 17, 1937'. Mr. Eden wrote: 'It would seem from this that if Signor Mussolini asks for help to deal with the Spanish Govt when he goes to Berlin, he will be asked in return to surrender Austria. Surely a poor bargain for him. But maybe the Germans will refuse to pay any price for Austria, & wait: it would be wiser. Signor Mussolini's foreign policy the last two years has made German pressure on the Brenner inevitable one day. If he lives he will rue it. A.E. Sept. 22.'

This despatch was circulated to the Cabinet as C.P. 218(37). In a covering memorandum of September 23 drawing attention to Sir N. Henderson's impressions of confidence in German strength and the idolization of Herr Hitler, Mr. Eden concluded by expressing doubts 'whether the charged atmosphere of Nuremberg is the best in which to obtain a true picture of Germany as a whole, with her weaknesses and discontents as well as her strength and enthusiasm'.

ANNEX I TO NO. 160

Memorandum of conversation with Dr. Goebbels

BERLIN, *September 12, 1937*

I sat next to Dr. Goebbels at Herr Hess' luncheon to the Diplomatic Body at the Nürnberg Citadel on 10th September.

As I had heard that he had made some unnecessarily offensive remarks about liberal countries on the preceding day, I told him that I thought it was a pity not to try and create a better Press atmosphere in our two countries instead of exacerbating it by disagreeable language. I told him that to my intense surprise I had learnt that morning that his Press bureau had expressed dissatisfaction with the attitude of the British Press towards the Nürnberg celebrations. I had myself read the *Daily Telegraph*, the *Evening Standard* and even (in spite of Ebbutt)[16] the *Times* and had been very pleasantly impressed by the friendliness of their language.[17] Of course there were thorns in every rose: that was inevitable and the Germans could not expect us to fall flat in admiration. But the general sense and tone was the main point and I hoped that he would instruct his subordinate to judge by the main lines and not by the minor criticisms. A better understanding, which I personally earnestly desired, between our two countries must in the first place rest on a better mutual comprehension, which could only be achieved through the Press. Could I, I asked him, count on his cooperation?

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[16] Mr. Norman Ebbutt, Berlin correspondent of *The Times* until his expulsion from Germany in August 1937: see No. 97.

[17] Marginal comment by Mr. Eden: 'This is an extraordinary comment.'

Dr. Goebbels began by referring to the von Langen-Ebbutt incident.[18] He denied that von Langen had been asked to leave Italy and complained that he had been unfairly treated in England. He had barely arrived there and had given no actual cause for his expulsion. I told Goebbels that the action taken against von Langen had been a purely Home Office affair. It had nothing to do with the Foreign Office and I personally was not even aware of the exact grounds which had led to his expulsion. Expulsions in England were never undertaken without full consideration and very good reason. Though I might be sorry for von Langen and regretted that it had not been possible to publish the exact motives for his expulsion, nothing, and least of all Germany's interests, could justify the reprisals taken against Ebbutt. Only the latter had profited; he had long wanted to leave Berlin and he had been enabled to depart as a martyr with an advertisement worth several thousand pounds to him.[19] On the other hand the *Times*, which before was not at all unfriendly, had been indisposed.

Goebbels admitted that the result had been unsatisfactory from Germany's point of view. He expressed however the hope that in future, if His Majesty's Government wished to get rid of any German Press correspondent, he could be informed beforehand. He would in that case at once remove the offender without making any fuss whatsoever. I had only to mention the matter and action would be taken. I undertook to convey this request to the Foreign Office.[20] I would mention here that Herr Bohle the next day expressed an identical request to me as regards any member of the Nazi Party in London. Both requests seem to me reasonable and if undesirable incidents are to be avoided I would beg that they be taken into consideration.

Speaking generally Dr. Goebbels professed, as he has done before, keen anxiety to cooperate with me in any way that might be possible. I could only refer to the inherent difference between the completely independent British and the completely Government controlled German Presses. But so far as I could help to make Nazism better understood in England, I undertook to do so.

As regards the general situation, Dr. Goebbels spoke very pacifistically. Germany wished for no adventures. Nazism was advancing by great strides but it had got to learn to run of its own momentum and nothing must be done to risk the fulfilment of its development. Germany wanted peace above all else. In the course of time many thorny questions would settle themselves and in the meantime Nazism must continue to be built up in quiet and tranquillity.

N.H.

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[18] See Nos. 85, 88, 89, 95, and 97.

[19] Marginal comment by Mr. Eden: 'This too is cheap. A.E.'

[20] Marginal notes by Mr. Harvey and Mr. Eden: 'We are about to remove 2 more—shd. we take G. at his word? O.C.H.' 'We will discuss this. A.E.'

ANNEX II TO NO. 160

Memorandum of a conversation with Herr Hitler on September 10

BERLIN, *September 12, 1937*

I told the Chancellor that I had recently been to London and had the opportunity to speak with the Secretary of State. Mr. Eden had asked me to tell His Excellency that, as the Prime Minister had stated in the House of Commons, the invitation to Baron von Neurath to visit London remained open.[21] Mr. Eden felt, however, that it was next time for the Chancellor himself to suggest a suitable moment for a visit to take place. The best course would, I said, be for Hitler himself to give me a hint that he considered it desirable for his Minister to establish contact with His Majesty's Government. If and when he gave me such a hint, I would be glad to convey it confidentially to the Secretary of State.

Hitler, in thanking me for this communication, observed that the trouble on the previous occasion had been that the English Press, though extremely favourable, had given the impression that great and immediate results might be expected from Neurath's visit. A disappointment in this respect would have produced an entirely contrary result to that desired. The danger was of raising excessive hopes.

I admitted this. Except for the colonial question, an exceedingly complicated one which, in my opinion, could never be settled without careful preparation and the prior creation of a very different atmosphere to that which existed at present, there were no outstanding questions between our two countries, such as existed between ourselves and France in 1904. To this Hitler replied that the first problem to be solved was that of the Press and in particular the British attitude towards Nazism. In this connection I mentioned to His Excellency the substance of my conversation earlier in the day on this point with Dr. Goebbels.

In general Hitler seemed to me more friendly, calmer and more reasonable than on the two previous occasions on which I have met him. He made some amiable reference to my presence in Nürnberg for the Party Day. The whole conversation lasted less than ten minutes, and I myself put an end to it by getting up from the sofa where we were sitting under the eyes of some thirty or more of my diplomatic colleagues.

N.H.

ANNEX III TO NO. 160

Memorandum of a conversation with Baron von Neurath at Nürnberg

BERLIN, *September 12 , 1937*

I called on the Reichsminister in the morning of 11th September at the Grand Hotel. I began by asking if the Chancellor had mentioned what I had said to the latter at the reception on the preceding day. Baron von Neurath said that he had, but gave me no indication as to when a German contact in London might seem to him desirable. Nor did I consider it expedient in any way to press the matter. As soon as the Italian visit is over Baron von Neurath told me that he proposed to retire once more to a country house he possesses in the Vorarlberg mountains.[22] He mentioned as regards Mussolini's visit that it would be a purely Italo-German affair, to which not even the friends of the Berlin-Rome axis would be invited.

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[21] See No. 92, note 3.

His Excellency told me that, not having seen Hitler before Nürnberg for some time, he had been agreeably surprised to find him once again less resentful against and thoroughly anxious for a better understanding with Great Britain. I repeated to His Excellency what I had said to Hitler about the difficulty of coming to anything more than a general understanding when there were no tangible points, except the colonial question, outstanding between us. In this connection I told Baron von Neurath of my conversation with General Göring before leaving for Marienbad (Baron von Neurath had already left Berlin before that date and I had not seen him since). As His Excellency seemed to know something but little about that conversation, I explained its origins and mentioned the memorandum I had left behind. I told the Minister that I was going to see the General later and though, especially since the latter had not consulted him, I did not anticipate that I would get that afternoon a written reply to the two points raised therein, namely the causes of Germany's grievances against Great Britain and Germany's future aims, I intended to press for one. I should be in London again in the middle of October: you were interested and had reminded me by telegraph two days before that General Göring had promised such a reply, and indeed it might possibly serve as the first stepping stone to a renewal of contact. Could he tell me what were Germany's ultimate aims? 'Austria', replied Herr von Neurath, 'that is the first and last of our aims'. The *Sudetendeutschen* were a matter for compromise and could be amicably settled if Czechoslovakia left the Russian orbit and gave true equality to her German subjects. I have never known Baron von Neurath so definite before and the note of confidence with which he spoke was remarkable. He had obviously been seeing a good deal of the Chancellor during the Festival and seemed happy about it.

I mentioned the Nyon conference to him. He appeared to be glad to be out of it and added that the German Government, if asked to do so, hoped to be able to cooperate in any measures which might be decided upon. In any case there were, he said, no German U boats in the Mediterranean and the further he could keep all German warships from those waters the better pleased he would be. He complained that he could not definitely discover how many submarines General Franco possessed. According to his reports their numbers were quoted sometimes as low as three, sometimes as high as six. I asked if there were not any German sailors with Franco's navy and he told me that so far as he knew there were none at all.

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[22] Marginal comment by Mr. Eden: 'There is some advantage in being German M.F.A.! [Minister for Foreign Affairs]. A.E.'

N.H.

ANNEX IV TO No. 160

Memorandum of a conversation with General Göring at Nuremberg on September 11, 1937

BERLIN, *September 12, 1937*

After some talk about the forthcoming Hunting Exhibition in Berlin next November and British participation thereat, I asked General Göring whether he could now give me, as he had promised to do, the written reply (see my despatch No. 678[23] of July 20th last) to my request for information as to (a) Germany's concrete grievances against Great Britain in the matter of 'hemming her in' and (b) Germany's ultimate aims.

General Göring replied that the latter was impossible without Hitler's consent and that, though he could do the former on his own initiative, he had not done so. I told the General that I hoped in that case he would consult the Chancellor and let me have replies to both questions. After Nürnberg I was going on leave in Austria and Yugoslavia but I would be back at Berlin for a day or so at the beginning of October before proceeding to London. Would he let me have the answers by October 2nd? The General replied that, after the manoeuvres and Mussolini's visit he himself was going to Romintin [*sic*] in East Prussia to shoot stags. He would be there alone between October 2nd and 6th. If I would join him there I could have both the answers and a stag. I replied that if that was a definite invitation, I would not hesitate to accept it. The General said that it was and undertook to send full instructions to the Embassy during my absence as to the journey. I could leave Berlin on the evening of October 2nd and be at Romintin the following morning.

He then proceeded to give me, subject to what Hitler might say, his personal ideas as to what Germany's aims were, or should be, adding that His Majesty's Government would be astonished at German moderation. The Anschluss was a matter of course and inevitable. Herr Schmidt, the Austrian Minister for Foreign Affairs, had visited him a few days before. The General had told him brutally that the sooner the Austrian Government accepted the inevitable without creating bad blood, the better it would be for all concerned. I asked the General what Herr Schmidt had replied to that—'That Schuschnigg would never be strong enough to put the matter through', the General replied. The *Sudetendeutschen* were a more complicated problem but once Austria entered the German Reich, the Czechs would be obliged to do something for their German subjects or lose them. Poland was an easier matter, the Corridor could be solved without difficulty, as could Silesia. I asked him about the Germans in the Tyrol south of the Brenner, mentioning that a German had recently told me that they also were a German aim. To this General Göring replied that it could have been no one in authority for Italian Tyrolese were certainly not a German aspiration. Germany meant to be moderate and not incur the enmity of the whole world; she had learnt her lesson. The stronger Germany became, the more restraint she would show. Even if he was not allowed to put down in writing Germany's aims, lest if one were omitted England should rise up and say 'No' again, he would at least be ready to state what were *not* her aims. She could definitely say that she desired nothing in the West, nor in the South, nor in the North. Nor did she want any single thing which Great Britain possessed. She wanted to be friends with the British Empire: she was prepared to fight herself for the maintenance of that Empire and would, if need be, lend half her army for that purpose. In return, all she asked was for Great Britain to guard Germany's rear and for the British Navy to keep Germany's communications open, if she was attacked in the East. It was the ideal alliance, the British navy and Germany's armies. He wished for it with his whole heart and so did Hitler. An understanding with England could be made in two articles (i) Germany recognized British interests overseas and the maintenance of her Empire and (ii) Great Britain recognized Germany's preponderating influence in Central Europe. A rider might be added as to British willingness to discuss the colonial question, though it was not any of the British Colonies which Germany wanted.[24] She wanted nothing from Great Britain.

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[23] No. 52.

On the other hand, if Great Britain refused all collaboration, Germany would have nothing for it but to prepare for that contingency and to devote herself to the destruction of the British Empire instead of its maintenance. When I observed that its destruction might not prove so easy as all that, the General went off into a panegyric of Germany's strength. And, he added, if England was unwilling to help Germany to protect her communications by sea, there would be no alternative but for her to revise the Anglo-German naval agreement and to protect herself on sea by her own resources.

All this sounds very bellicose but in point of fact the conversation was conducted on friendly lines. The General was crude and naif but I think quite sincere in his desire for good relations with England. He kept insisting on Germany's moderation, her wish, in her own interests, to avoid adventure, and her intention as she grew stronger to settle down. I made no comments on his description of Germany's aims because I wished him to show his full hand in this respect. But we wrangled amicably about the upshot of a future war and the comparative military strengths of Germany and the British Empire. He confessed that Germany's one difficulty was economics, but with him as with the others whom I met at Nürnberg the note of confidence in Germany's growing might was very apparent.

The trouble is that no German honestly can understand why England should wish to prevent Germans from being included in Germany.[25] They comprehend that it is France's traditional policy to oppose German unity but they do not see why England should be so interested. Crude though he may be, General Göring, as an ex-combatant and aviator, is friendly-disposed both to England and France. He is extremely intelligent, astute as well as very ambitious, but at the same time he is the frankest and most sincere of these Nazi Leaders with the exception of Hitler. I had, to tell the truth, little hope that I should get answers to my questions out of him at the first attempt. I hope that now, with Baron von Neurath's cooperation, I shall succeed in doing so at Romintin and that I shall there be furnished with something authoritative which has Hitler's approval.

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[24] Marginal comment on this sentence by Mr. Eden: 'Our rearmament must be having its effect. A.E.'

[25] Marginal comment on this sentence by Mr. Eden: 'But is this the problem? Surely not. A.E.'

N.H.

No. 161

Mr. Ingram (Rome) to Foreign Office (Received September 13, 9.40 p.m.)

No. 507 Telegraphic [*W17244/16618/41*]

ROME, *September 13, 1937, 6.45 p.m.*

Addressed to Geneva No. 28.

Your telegram No. 7.[1]

Italian Minister for Foreign Affairs received me and my French colleague just before 1 p.m. when we conveyed to him text of solutions of Nyon Conference in the form prescribed in your telegram No. 6.[2] It was from the first clear to us that Count Ciano was already aware of their gist from what had appeared in the press. Nevertheless he went through all the facial movements of surprise doubt and indignation.

2. After reading the text he said at once that under reserve of consulting head of government his personal reaction was that it would be impossible for Italy to accept the excessively small share allotted to her in the Mediterranean control scheme. It was out of all proportion to Italy's status as a great Power and a 100 per cent Mediterranean Power at that. Moreover he enquired what the situation would be for a non . . .[3] avoid such a risk.

3. Count Ciano then referred to word 'adopted' in covering letter and said he assumed that it was a case of take it or leave it. If so he feared he must personally warn us that Signor Mussolini's answer would be 'leave it.'

4. We replied that though we had no instructions we thought speaking personally that there was of course no obligation for Italian Government to reply with a categorical yes or no but that the way was open for them to offer their observations. All the more so since adhering Power would not be bound by resolutions and whose warships might legitimately be found in waters which resolutions proscribed and then be attacked by vessels of participating Powers. My French colleague pointed out that a grave situation certainly would then arise and I added that it was all the more reason for Italy to adhere . . .[3] His Excellency would see from absence of dates that conference

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[1] Not traced in F.O. archives: cf. No. 158, note 1.

[2] No. 158.

[3] The text was here uncertain.

was still in session and from the absence of signatures that so far as we know nothing had yet been signed. I added moreover that from a telephone communication I had just received from Geneva I had derived the impression that certain plenipotentiaries were referring resolutions to their governments. His Excellency at once said that that put a different complexion on the matter and professed a new interest.

5. As Count Ciano had indicated that reply could be quick perhaps even this evening we said at once that it would be easy for us in view of the importance he seemed to attach to the point to verify by reference to our government exactitude of our personal interpretation, that it was open to the Italian Government to advance any observations they desired. Without a moments . . .[3] he rejected our offer adding 'I am not asking for anything'.

Repeated to Berlin and Paris.

No. 162

Mr. Ingram (Rome) to Foreign Office (Received September 13, 11.30 p.m.)

No. 508 Telegraphic [*W 17245/16618/41*]

ROME, *September 13, 1937, 8.15 p.m.*

Addressed to Geneva No. 29 September 13th.

My immediately preceding telegram.[1]

I and my French colleague are inclined to think that irrespective of the fact that the whole idea of the conference is anti-pathetic to Italy her pride will force her to give a negative reply particularly as resolutions of the conference were not submitted to her for her observations before they were to be used . . .[2] 'adopted'. The whole attitude of Count Ciano was one of injured pride at the way in which Italy was apparently being faced with a *fait accompli*. If we want Italy to come in on Nyon scheme we must go through the motions of taking no decisions without her and of adopting no resolutions without giving her a chance of voicing her views.Count Ciano is in an exalted and nervous frame of mind. Italian prestige seems to be the one thing at the moment that counts for him and Signor Mussolini (see last sentence of my immediately preceding telegram for example). I am convinced that they will not 'play' unless these susceptibilities are taken into account with a great deal more than the usual amount of scrupulousness. May I again draw your attention to my telegram No. 500[3] and in particular the last sentence of the first paragraph thereof?

This is now a country of quick short and sharp answers. Diplomatic niceties are apt to be eschewed when Signor Mussolini speaks. We run the danger if the door is not kept open at every stage, of receiving so quickly and tersely a retort that there will be neither time nor opportunity for further diplomatic manoeuvres. We were near that point this afternoon.

Repeated to Berlin and Paris.

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[1] No. 161.

[2] The text was here uncertain.

[3] No. 150.

No. 163

Letter from Sir N. Henderson (Berlin) to Mr. Eden

[*C 6494/4222/18*]

BERLIN, *September 13, 1937*

Dear Secretary of State,

I write in haste as I only got back from Nuremberg yesterday and leave at dawn by air tomorrow first for Austria, then Yugoslavia and then back to Germany on October 2nd when, if all is well, I should go to East Prussia and join General Goering in shooting stags. He promised to let me have there the answers to my questions re Germany's (a) grievances and (b) aims. You will find it all in a terribly long despatch which I have written on my Nuremberg experiences.[1] You will find it interesting as I managed in the brief time at my disposal to talk to Hitler, Goering, Goebbels and Neurath, as well as less important personages. If I am lucky I should get something worth having—even though we may not think it reasonable or moderate—out of Goering in East Prussia. But moderate or not, I do not see how we can get further forward until I do get an authoritative statement. It is better to know the worst than to go on guessing. My line will be not to dispute—except about obvious things—but to learn as much as I can. I am particularly anxious to keep the trip a secret.

I believe that Rib[b]entrop is out of favour at last with Hitler. I saw him also at Nuremberg and he was very gloomy. Since I got back here I have heard a rumour at second hand that Schwerin von Krosigk is to succeed him. The latter would be a great improvement. He is an ex-Rhodes scholar, a very decent quiet person who for unknown reasons has succeeded in remaining uncriticised as Finance Minister.

The Mussolini visit[2] is to be confined to Italians and Germans. No diplomatic reception. The Italian Ambassador told me that at one time there had been a question of inviting friends of the Rome Berlin axis to join in the celebrations but that this idea was squashed. My private opinion is that, while the façade will glorify the axis and the twin ideologies, the really important issue will be the future of Austria. Mussolini, who is a great realist, has I believe made up his mind that the Anschluss will one day take place and I am inclined to think that at Berlin he will withdraw his last opposition—except to the use of force.

Nuremberg was no joy ride. To spend 36 hours there, it meant three nights in the train, very uncomfortable quarters and a great deal of running about. But in my opinion it was 100 per cent. worth it.

Yours sincerely,
NEVILE HENDERSON

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[1] No. 160.

[2] See *ibid.*, note 9.

No. 164

Mr. Edmond (Geneva) to Foreign Office (Received September 14, 10.15 p.m.)

No. 36 L.N. Telegraphic [*W 17287/16618/41*]

GENEVA, *September 14, 1937, 8.20 p.m.*

Addressed to Rome No. 9.

Following from Secretary of State:

I am left in some doubt as to substantial upshot of your conversation with Count Ciano.[1] I understand however from your telegram that Count Ciano has not asked you to ascertain whether or not His Majesty's Government would be willing to entertain Italian observations calculated apparently to modify allotment of zones approved by the Conference. Indeed I note that Count Ciano said to you that he must still refer the matter to head of Government.

Meanwhile affirmative response of all Governments represented at Nyon has now been received and for this reason besides a variety of others it will be impossible for us all to defer signature beyond today Tuesday September 14th; still less could we postpone indefinitely. French Government and His Majesty's Government would therefore propose in speeches preceding signature to say that no official reply has been received from the Italian Government but that French and British Governments as conveners of the Conference will communicate to their coadjutor signatories any official reply that may be received from the Italian Government.

The two Governments would as they have already explained welcome Italian co-operation. Though it would be impossible to agree to any fundamental alterations in the text that we are about to sign we should of course be prepared to give due consideration to any Italian observations. You should speak in this sense to the Italian Government together with your French colleague who has received similar instructions.[2]

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[1] See No. 161.

[2] See *D.D.F., op. cit.*, No. 441.

No. 165

Mr. Ingram (Rome) to Foreign Office (Received September 15, 9.30 a.m.)

No. 514 Telegraphic [*W 17328/16618/41*]

ROME, *September 14, 1937, 10.35 p.m.*

Addressed to Geneva No. 35.

Following is translation of Italian reply.

'The Fascist government has examined the arrangement agreed upon by representatives of Powers participating in Nyon conference as well as aide-mémoire of September 13th transmitted by Chargés d'Affaires of Great

Britain and France.[1] From these documents it appears that in the event of Italy's adhesion only the Tyrrhenian Sea would be entrusted to her for exercise of measures of supervision settled by conference while in effect the same measures would be entrusted in whole Mediterranean to English and French fleets.

The situation which would result for Italy appears inacceptable. Her vital interests in the Mediterranean and fact that it is along her lines of communication that greatest traffic runs make it necessary that Italy should have conditions of absolute equality with any other Power in any zone of Mediterranean'.

Please see my immediately following telegram.[2]

Repeated to Paris, Berlin.

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[1] See Nos. 158 and 161.

[2] Telegram No. 515 of September 14 (No. 36 to Geneva) described the handing of the Italian reply by Count Ciano to Mr. Ingram and M. Blondel.

No. 166

Mr. Ingram (Rome) to Foreign Office (Received September 15, 9.30 a.m.)

No. 516 Telegraphic [*W 17330/16618/41*]

ROME, *September 14, 1937, 11.40 p.m.*

Addressed to Geneva No. 37 of September 14th.

My immediately preceding telegram.[1]

Minister for Foreign Affairs was quite cordial. He gave both me and my French colleague the impression that he wanted to say something but had thought better of it. Possibly he hesitated to say what he had in mind before both of us.

2. My own feeling is that His Excellency would like us to interpret this reply as keeping the door open for a gesture which would satisfy Italian prestige—it is a feeling derived as much from his demeanour as from the text of his communication—and I still think Italy will not begin to 'play' unless her prestige is satisfied.

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[1] See No. 165, note 2.

No. 167

Report of the second plenary meeting[1] *of the Mediterranean Conference, held at Nyon on September 14, 1937, at 12.30 p.m.*

[W 17261/16618/41]

SIGNATURE OF THE NYON ARRANGEMENT[2]

The delegates signed the Arrangement

CLOSING SPEECHES

The **PRESIDENT, M. DELBOS** (France): *Interpretation*: In order to appreciate the importance of the Arrangement we have just signed, we must recall the gravity and the difficulty of the problem which lay before us.

What we had to do was to adopt measures which would put an end to an intolerable state of things, as acts of piracy had been committed in the Mediterranean and the commercial shipping was hampered by disregard of the most elementary rules of international law and a state of uncertainty prevailed which might at any time give rise to serious complications.

Faced with these anonymous aggressions, in which human life was not considered and which greatly perturbed the consciences of nations, our duty was clear. You have fully carried out your duty. Without neglecting other forms of aggression with which we shall deal in a series of meetings soon to be held at Geneva, you wished to settle first the most serious problem, that of submarine attack.

Thanks to the goodwill and to the spirit of collaboration and determination of all the delegates anxious to protect the common interest, agreement has been reached in a few days' time with a rapidity whose moral effect will be one of the main guarantees of success. Practical and effective measures are provided for and these will be carried out without delay. As mentioned in the Arrangement, we have reserved our right to consider reinforcing those measures, if necessary, but I am convinced that they will put an end to the acts of piracy and will fully re-establish the freedom and security of Mediterranean navigation.

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[1] For the first plenary meeting see No. 154, note 3.

[2] The text of this document was substantially the same as that in No. 156 above. It was published in *The Times*, September 15, 1937, p. 11, and elsewhere.

On September 13 French and British naval staffs had agreed broadly on the zones of operation of, and collaboration between, their two fleets in the Mediterranean (No. 169 below). A meeting of all the naval experts attached to the conference was then held at 5 p.m. under the chairmanship of Admiral Godfroy (France); it defined in more detail the areas reserved for the exercises by submarines of the British and French navies and the routes which shipping would be advised to follow. At a further meeting at 10 p.m. on the same day similar arrangements were made for Greece, Turkey, and Yugoslavia. Minutes of these meetings are filed under W 17446/16618/41. The arrangements were to come into force on Monday, September 20.

The scope of the Arrangement which we have just signed is far broader than that of a regional arrangement which would merely be confined to the interest of riparian nations in this interior sea.

On those shipping routes the flags of all nations meet and to hamper peaceful shipping in the Mediterranean is therefore to threaten world trade. The re-establishment of safety of centuries-old traffic in that zone is synonymous with protecting one of the vital centres of civilisation.

It also implies that we are protecting one of the most valuable attributes of civilisation, namely, the existence of an international morality. Our decision will reassure the minds which have been disturbed by the fact that certain practices which seemed to take us back many years to the times when only the law of might prevailed will no longer be tolerated or allowed to go unpunished.

Finally, Gentlemen, sceptical persons or those who are discouraged will say it is not impossible, provided work is carried out resolutely, with goodwill and with mutual good faith, to conciliate in a protocol which is unanimously adopted, the requirements of humanity, practical interests and the legitimate rights of the various nations. The text which we have signed and which tomorrow will be translated into action is to our credit and to our common advantage but also to the advantage of all.

It is in that spirit that Great Britain and France, as the inviting Powers, and in accordance with the wish expressed by the Balkan Entente and by Bulgaria, have invited Italy, a great Mediterranean power, to participate in the work we have undertaken, just as we had invited that country to attend this Conference. Italy's help, quite apart from its effectiveness, will favourably complete the work of pacification which we are so desirous of carrying out.

I think I may add that the rapidity of the procedure which we have followed and the practical nature of the decisions we have taken bear witness to the efficacy of the methods of collective security. Allow me to see in that procedure a typical example of international solidarity such as we understand it.

Now that we are about to leave Nyon, where we have found such cordial hospitality, I should like to thank the authorities who have welcomed us in this pleasant town, the name of which will remain connected with the success of our work. That success, I am finally convinced, will contribute effectively to the work of peace which we are going to continue at Geneva with the same faith and with the same determination.

M. LITVINOFF (Union of Soviet Socialist Republics): It is with great satisfaction that I have just signed the Nyon Agreement in which, I can say with pride, the Soviet Delegation took a very active part. I desire to express my gratitude to the other delegations at this Conference, particularly those of the inviting Powers, for their considerate attitude towards the wishes and proposals put forward by the Soviet Delegation during the Conference.

I have to say that none of our proposals were prompted by egotistical or purely national considerations. Our proposals tended only towards the maximum satisfaction of the common interests of the States represented here, and of all peaceful countries concerned in the eradication of piracy on the high seas and in obtaining the maximum freedom of navigation. Our objections to the regional proposal for dividing the Mediterranean into zones, each separately protected by the naval forces of the respective States present here, including the U.S.S.R., were entirely eliminated by the subsequent friendly agreement of Great Britain and France to undertake the entire defence of the Mediterranean from one end to the other.

May I be permitted to remind you, gentlemen, that at the very beginning of the Spanish conflict the Soviet Government proposed to leave entirely to Great Britain and France the control around Spain and, that at a later stage, it voluntarily renounced its part in the naval control in the Mediterranean accorded to it by the London Committee.

The Soviet Union has no need to seize upon this or that occasion for asserting its indisputable right, unlimited by any international act, to have its naval forces in the Mediterranean as well as in other seas, when it deems it necessary.

That is why, as all of you here know, not only did we not for a moment suggest our participation in the naval control decided on by this Conference but, on the contrary, for reasons laid before you, I spoke against the system which included the participation of the Soviet naval forces. It is not necessary to dwell upon this; I will merely recall the lies disseminated by the Press on the point.[3]

I am particularly glad the Conference took our wishes into account and registered in an Agreement and in a form permitting of no misinterpretation, the refusal to recognise that anyone enjoys belligerent rights and consequently, the right to stop commercial vessels on the high seas, still less the right to sink them. We desired, it is true, that all such illegalities could be immediately penalised, even though the regulations laid down by international conventions intended for war time might be observed. The reply made to me was that there could not be the same punishment for a thief as for a murderer; that as a matter of fact the sinking of commercial vessels by submarines was in practice impossible if those rules were observed; and that, if nevertheless piracy did not cease in spite of the present Agreement, further measures would be discussed. I am prepared to be satisfied by this reply for the moment.

I regret that in spite of our position the commercial vessels of the Spanish Government have been excluded from the scope of the protection scheme because, as it was explained to me, such protection might be interpreted as intervention in the Spanish conflict. In order not to complicate the work of the Conference, I abstained from comparing this scrupulousness with the methods of 'non-intervention' practised by other States not represented here.

We, the Soviet Delegation, wish to travel a few stages further along the road which we are following here together, but the history of the Disarmament Conference and of other international conferences has already shown that the young Soviet State, full of vigour, energy, courage and faith in the truth of its international conceptions, is always ready to move further and more quickly along the path of the defence of peace and to act more resolutely than some other States. Like you, gentlemen, the Soviet Delegation has been anxious for the success of this Conference, the political importance of which is far wider than its possible practical results. At a time when aggression, international lawlessness, adventurous impudence have been accustomed to success, any action combatting these phenomena which takes the form, not of discussion, protest, declarations and resolutions but of practical steps, must be particularly welcome; while today we have before us an international agreement with very material backing. Moreover this Agreement represents a partial realisation of the idea of collective security and likewise of the idea of regional agreements. The rapid success of this Conference, like that of last year's Conference at Montreux,[4] can be explained, I believe, principally by the fact that those who took part in both Conferences belong to the peace front and they take their stand on the ground of collective security, regional agreements, inviolability of international obligations and other ideas which constitute the basis of the League Covenant. The experience of the two Conferences I have mentioned shows that it is only on the basis of these ideas that useful international collaboration is possible for the elimination of the perils threatening the peace and security of nations. This conclusion, in my opinion, adds particular importance to the Nyon Arrangement.

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[3] Cf. No. 159.

M. POURITCH[5] (Yugoslavia): *Interpretation*: On behalf of the Balkan Entente, I wish to make this statement: The Balkan Entente is happy to have been able to collaborate in the work of preserving peace which has been accomplished here because, in so doing, the Entente has fulfilled the object of its existence which is to work for the maintenance and consolidation of peace.

MR. EDEN (United Kingdom): Our Chairman has so well defined the purpose and the outcome of this Conference, that I have no word to add except to congratulate him warmly upon the manner in which he has conducted our deliberations and upon their successful issue.

As the representative of the other inviting Government, I should like to associate myself with M. Delbos's expression of thanks for the practical help and whole-hearted co-operation brought to our deliberations by the nations here represented.

I should like to add an especial word of thanks to our technical helpers upon whom necessarily fell so heavy a burden.

We have worked rapidly and, I believe successfully. I have no desire to make any commentary now upon the nature of our conclusions. We hope, however, that our work will be approved by the world and there is nothing we should welcome more than the close collaboration of all interested nations, whether here or not, in the execution of the Agreement. Such a final outcome would properly complete the success of our labours.

The PRESIDENT: *Interpretation*: I should like to thank Mr. Eden for the very kind words spoken with reference to myself and I wish to emphasise the point that he and those who have assisted him have shown that it is not necessary to occupy the Chair in order to play a very important part in this Conference. I should like to thank him for his collaboration and I should like to thank you all here present and to say that this Conference has shown that the political wisdom of the delegates can be very usefully combined with the competence of the technical experts.

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[4] See Volume XVI, Chapter VI.

[5] Yugoslav Minister at Paris.

I declare the work of the Conference at an end.

No. 168

Letter from Sir F. Leith-Ross to Mr. Jebb[1]

[C 6467/3/18]

TREASURY CHAMBERS, *September 14, 1937*

Dear Jebb,

Grady[2] had a long talk with me at Geneva and showed me the skeleton programme for European appeasement which he had written out for President Roosevelt.[3] You will see that it is pretty far reaching and Grady agrees that it is rather an ideal to be aimed at than practical politics at the moment.

Grady told me that Cordell Hull was very unhappy about the position of the Anglo-American trade negotiations, and particularly angry with Mackenzie King[4] who, he thinks, is trying to get paid twice over.[5]

Yours sincerely,
LEITHERS

ENCLOSURE IN NO. 168

Dr. Grady's suggested programme for 'German economic appeasement'

Concessions to Germany

1. Colonies or mandates or (perhaps) something equivalent such as leased colonial territory.
2. Refunding loan to get lower interest rates on her foreign obligations.

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[1] Mr. H.M.G. Jebb was a First Secretary in the League of Nations and Western Department of the Foreign Office.

[2] Dr. Henry F. Grady, Vice Chairman of the U.S. Tariff Commission 1937–39, was elected to the Economic Committee of the League of Nations in January 1937, and was also U.S. representative on the Raw Materials Committee of Enquiry. For an account of his work at Geneva and an indication of his views on European economic problems see *F.R.U.S.*, 1937, vol. i, pp. 803–25.

[3] President Roosevelt's inclinations to take the lead in plans for a European settlement are indicated in *F.R.U.S.*, *ibid.*, pp. 665–70. See also Volume XVIII, Nos. 202, 250, 268, 560.

[4] Canadian Prime Minister.

[5] Cf. No. 25, note 3. R. N. Kottman, *op. cit.*, Chapter V, deals with the Canadian trade negotiations in 1937.

3. Gold 'cushion' loan (1 to 1½ billion Reichsmarks) in connection with devaluation and abandonment of exchange control.
4. Trade Liberalization, particularly on the part of Great Britain, France, and the United States (this would mean a United States-German trade agreement and preference liberalization on the part of the British Empire and France); the open door in the British and French colonies; and (perhaps) financing of German exploitation and development companies in London and New York.

Concessions by Germany

1. Re-entry into League with membership on important League Committees, especially Mandates, Economic and Financial (undoubtedly there would be the condition that Section 16 was modified to eliminate sanctions.)
2. Economic disarmament through the abandonment of exchange control, clearing agreements, and other bi-lateral balancing devices (some *purely temporary* controls in the form of import quotas might be necessary during the transition period to a freer system of trade.)
3. A new Locarno (both west and east).
4. Participation in a genuine disarmament program.[6]

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[6] Mr. Strang minuted on September 18: 'This does not help us much.'

No. 169

Mr. Edmond (Geneva) to Foreign Office (Received September 17)

No. 61 [*W 17414/23/41*]

GENEVA, *September 15, 1937*

The U.K. Delegate to the League of Nations presents his compliments, and has the honour to transmit copies of the under-mentioned document, of which a copy has been sent to Paris.

No. and Date	*Subject*
Nyon Conference. 13th September, 1937.	Agreement between the French and British Naval Staffs.

Enclosure in No. 169

Agreement between the French and British Naval Staffs

Confidential GENEVA, *September 13, 1937*

1. In order to facilitate the putting into force of the Nyon arrangement the French and British Naval Staffs have agreed as follows:

2. *Zones of operation in the Mediterranean*

(a) *Western Mediterranean.* The Western Mediterranean with the exception of the Tyrrhenian Sea is divided into two zones.

Zone 'A': From the Straits of Gibraltar to the eastward as far as the following limits on the north a straight line joining Cape San Antonio and Dragonera Point in Majorca and thence following the south and east coasts of Majorca as far as Cape Pera. On the east a straight line joining Cape Pera, Majorca and Algiers.

Zone 'B': From Zone 'A' eastward as far as the following limits: on the north a straight line joining Mentone and Cap Corse, Corsica. On the east the west coast of Corsica and Sardinia as far as Cape Spartivento and thence the following limits: a straight line joining Cape Spartivento and Maritimo Island, the longitude of 12° 5′ E. as far as latitude 36° 40′ N. and thence along the parallel of 36° 40′ N. in a westerly direction to the African coast.

(b) *Malta Channel.*

Zone 'D': Consists of the Channel between Sicily and the African Coast to the eastward of Zone 'B'.

(c) *The Aegean Sea and coasts of Greece bordering on the Ionian Sea* are divided into two zones:

Zone 'E': The Aegean Sea to the northward of latitude 38° 10′ N.

Zone 'F': The remainder of the Aegean Sea, and the Greek coasts bordering the Ionian Sea.

3. *Allocation of Zones*

The French Navy will operate in Zones 'B' and 'F' and the British Navy in Zones 'A', 'D' and 'E'.

4. The above allocation of zones does not exclude action by French or British Naval and Air Forces in a zone allocated to the other party if the circumstances are such as to render such a course of action advantageous.

5. *Mutual Assistance*

During the time the Nyon arrangement is in force French and British Forces employed in carrying out the Nyon arrangement may visit each other's Ports and fly over and land on each other's territory without previous notice and without diplomatic authorisation.

The French and British local authorities concerned will facilitate by all means in their power the operations of the warships or aircraft in question.

6. *Collaboration of the Fleets*

The practical measures concerning the collaboration of the two Fleets will be arranged in consultation between the British and French Admirals respectively charged by their Governments with responsibility for the conduct of the operations under the Nyon arrangement. For this purpose these two officers will place themselves in direct touch. Among the measures concerning which it will be necessary for arrangements to be made are the following:

(i) The drawing up of a simple reporting code for use between the two Navies.
(ii) Arrangements in connexion with wireless transmission.
(iii) The simplification of formalities connected with visits and salutes.

7. With the object of facilitating the collaboration of the two Fleets each party will place a liaison officer at the disposal of the Admiral of the other Fleet charged with the responsibility for the conduct of the operations.

8. *Entry into force of the present Agreement*

This Agreement will enter into force on   and will remain in force so long as operations are carried out by the British and French Fleets in accordance with the Nyon arrangement.

F. DARLAN[1]
CHATFIELD

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[1] Chief of the French Naval Staff.

No. 170

Mr. Edmond (Geneva) to Foreign Office (Received September 17, 9.30 a.m.)

No. 46 Telegraphic [R 6244/1/22]

GENEVA, *September 16, 1937, 11.10 p.m.*

Following from Secretary of State.

On the eve of visit of Signor Mussolini to Berlin which must in itself precede projected Anglo-Italian conversations it may be useful to survey the condition and prospects of Anglo-Italian relations.

Reaction to Nyon agreement has not been, outwardly at least, explosive and if as certain Italian soundings here appear to indicate Italian Government make an approach to us and express a desire to participate in the scheme then our answer should be 'we shall of course be glad at any time to consider any observations which Italian Government may have to make; that is why we have kept them informed. Our scheme allows of monthly revision and if Italian Government have any suggestions to make we should be able to examine them in connexion with that monthly revision'. We should not, however, ourselves take the initiative in expressing such an opinion, for the present at least. On this basis Nyon should not prove a serious stumbling block to conversations.

At the same time it is no doubt possible that Signor Mussolini will endeavour to obtain support in Berlin for some vigorous and face-saving reaction such as more active intervention in Spain with double objective of recovering any prestige he may have thought he had lost by reason of Nyon and of bringing Spanish war to an end this winter, thus saving himself continuance of heavy strain of that campaign.

We are all convinced here that there is no possibility of taking any fruitful initiative at this assembly in connexion with Abyssinia. In the general prevailing mood there would be few partisans and strong and numerous opposition. Mediterranean events and Signor Mussolini's message to Santander had created an atmosphere which could only have been dissipated by constructive Italian collaboration at Nyon. That has not been forthcoming and situation of which we had warned Rome has been realised (see my telegram No. 284 to Rome).[1]

Confidential. Even Austrian Minister for Foreign Affairs who had been urged by Signor Mussolini to take an initiative has felt compelled to make it plain that he could not undertake so hopeless a task. The truth is that the atmosphere here cannot become friendly to Italy while Signor Mussolini continues to tear up treaties before the ink is dry. The fate of the submarine protocol signed only last autumn[2] is regarded as most recent example of this. So long as Signor Mussolini continues to intervene actively in Spanish affairs, there is the virtual certainty that he will continue to take steps in connexion with that campaign which will maintain international suspicion of him. However that may be it is clearly impossible for reasons explained above to expect a decision in respect of Abyssinia at this Assembly. We could force a discussion; we could not possibly obtain agreement on a resolution and in such conditions we should merely have placed ourselves in a humiliating position for nothing.

Even however were the atmosphere less unfavourable than it is we have to realise that to take such action now would be regarded by world opinion as a sign of timidity on our part. It would be said that we had repented of our display of courage at Nyon and were in consequence anxious to mollify Signor Mussolini. Indeed expectations in this sense have already been covertly expressed.

In the circumstances it would seem the best course before the opening of conversations with Signor Mussolini to explain to him the salient factors of Abyssinian question as set forth above and to tell him frankly that for reasons mainly of his own creation there can be no prospect of early decision on Abyssinia. Such a decision indeed would depend on others besides ourselves. We should none the less welcome conversations. It may be that in these circumstances Signor Mussolini would prefer to postpone conversations or that in any case it would not be possible to push them very far. It will be necessary, however, to prepare a programme for possibility that Signor Mussolini would desire conversations to open this month. Such a programme would presumably contain such items as Libya, Red Sea, and anti-British propaganda in the Near East.

This telegram is of course written on the generally assumed probability that Signor Mussolini's habit of breaking international obligations as exemplified both by his policy in Spain and more recently by submarine attacks in the Mediterranean will continue.[3] Should Signor Mussolini's policy undergo, however, any fundamental change and should he above all show willingness for international collaboration in the near future the whole atmosphere would undergo a change and many things will become possible which are not today practical politics including perhaps even a special assembly.[4]

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[1] No. 140.

[2] See No. 110, note 4.

[3] According to *Ciano's Diary*, *op. cit.*, p. 13, it had been agreed on September 15 to supply four more submarines to General Franco as he had requested. This appears to be the first instance of Italian naval activity in the Mediterranean since Count Ciano's order that action be suspended on September 4: see No. 122, note 2.

[4] A minute on this telegram by Mr. Nichols of September 17 said that preparations were being made for Anglo-Italian conversations 'in case they do eventuate' although in view of recent statements by Count Grandi and Count Ciano 'it seems unlikely that the Italian Government will contemplate the opening of any conversations in the absence of a declaration [regarding the position of Abyssinia] at Geneva'. Sir A. Cadogan minuted on September 18: 'It is not clear yet what will be the actual outcome of Nyon. In the present atmosphere I don't see that conversations can even be suggested. And a failure to deal with the Abyssinian question at this Assembly would probably render them fruitless in any case.'

No. 171

Mr. Edmond (Geneva) to Foreign Office (Received September 18, 9.30 a.m.)

No. 52 Telegraphic [*W 17558/16618/41*]

GENEVA, *September 17, 1937, 11.55 p.m.*

Addressed to Rome No. 12.

Following from Secretary of State.

Powers participating in Nyon arrangement have agreed upon complementary arrangements in regard to attacks made by aeroplances or by surface vessels. Text is being sent to you by telegram.[1] Please concert with your French colleague who will receive similar instructions to communicate copy of it to the Minister for Foreign Affairs. You should at the same time make the following verbal communication to Count Ciano.

'French and British Governments have in the absence of any authoritative explanation interpreted as a refusal the communication made to their representatives on September 14th by the Italian Government.[2] From information received from semi-official sources[3] the two governments learn that this was not the meaning of the communication in question. In these circumstances they feel bound to repeat that they are ready to examine with closest attention such positive observations on arrangements reached at Nyon as Italian Government may care to present'.

Should Count Ciano reply that his previous communication has supplied answer to your question you should say that in view of character of arrangement the two governments are waiting for Italian Government to put forward precise amendments to terms of agreement in question.

Repeated to Berlin.

[1] See No. 172 below. [2] See No. 165. [3] See No. 173 below.

No. 172

Mr Edmond (Geneva) to Foreign Office (Received September 18)

No. 38 Saving: Telegraphic [*W 17556/16618/41*]

GENEVA, *September 17, 1937*

My immediately preceding telegram.[1]

Following is text.[2]

'Whereas under the Arrangement signed at Nyon on the 14th September, 1937,[3] whereby certain collective measures were agreed upon relating to piratical acts by submarines in the Mediterranean, the participating Powers reserved the possibility of taking further collective measures; and

Whereas it is now considered expedient that such measures should be taken against similar acts by surface vessels and aircraft;

In view thereof, the undersigned,[4] being authorised to this effect by their respective Governments, have met in conference at Geneva on the seventeenth day of September and have agreed upon the following provisions which shall enter immediately into force:

I. The present Agreement is supplementary to the Nyon Arrangement and shall be regarded as an integral part thereof.

II. The present Agreement applies to any attack by a surface vessel or an aircraft upon any merchant vessel in the Mediterranean not belonging to either of the conflicting Spanish parties, when such attack is accompanied by a violation of the humanitarian principles embodied in the rules of international law with regard to warfare at sea, which are referred to in Part IV of the Treaty of London of April 22nd 1930, and confirmed in the Protocol signed in London on November 6th, 1936.[5]

III. Any surface war vessel, engaged in the protection of merchant shipping in conformity with the Nyon Arrangement, which witnesses an attack of the kind referred to in the preceding paragraph shall:

(a) if the attack is committed by an aircraft, open fire on the aircraft.

(b) if the attack is committed by a surface vessel, intervene to resist it within the limits of its powers, summoning assistance if such is available and necessary.

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[1] Telegram No. 37 Saving of September 17 from Geneva stated that an agreement supplementary to the Nyon arrangement and covering attacks by surface vessels and aircraft had been signed that evening: see No. 171.

[2] The text of the supplementary agreement, drafted by all the delegates, was presented by M. Delbos to the third plenary meeting (private) of the Nyon conference on September 17. After some queries, mainly from the Greek representative, M. Politis, about the implications of some parts of the text, the meeting adjourned: cf. *D.D.F.*, *op. cit.*, No. 460. After some informal discussion the fourth plenary meeting took place at 6 p.m., when the text given in the present telegram was signed.

[3] See No. 156.

[4] Representatives of Great Britain, Bulgaria, Egypt, France, Greece, Roumania, Turkey, the U.S.S.R., and Yugoslavia.

[5] See No. 110, note 4.

In territorial waters each of the participating powers concerned will give instructions as to the action to be taken by its own surface war vessels.

Done at Geneva this seventeenth day of September 1937, in the English and French languages, both texts being equally authentic, in a single copy which will be deposited in the archives of the Secretariat of the League of Nations'.

Repeated to Rome No. 13 and Berlin No. 11.

No. 173

Mr. Edmond (Geneva) to Foreign Office (Received September 20)

No. 75 [W 17595/16618/41]

GENEVA, *September 17, 1937*

The United Kingdom Delegate to the League of Nations presents his compliments, and has the honour to transmit copies of the under-mentioned paper.

No. and Date	*Subject*
Mr. Stevenson.[1] Sept. 17th.	Nyon: Italian attitude towards Nyon Arrangement.

ENCLOSURE IN No. 173

Note by Mr. Stevenson on Italian attitude towards Nyon arrangement

GENEVA, *September 17, 1937*

M. Spitzmüller, of the French Delegation, told me yesterday evening that he had again been approached by the Italian permanent delegate in Geneva, Signor Bova Scoppa.[2] The latter said that he had communicated to Rome the reply given him previously by M. Spitzmüller. This had been received by Count Ciano with surprise and disappointment. Count Ciano considered that the Italian reply[3] had left the door open for the Nyon Powers, and the latter would not even touch the door handle. M. Spitzmüller said that he was at a complete loss to understand what the Italian Government meant. He could not imagine how a curt reply to the effect that the Nyon agreement was inacceptable to Italy could be regarded as an encouragement to continue negotiations. To this Signor Bova Scoppa retorted that the Italian claim, contained in their Note, for parity in any anti-piracy arrangement was itself a counter-proposal which merited a reasoned reply from the Nyon Powers. He begged M. Spitzmüller urgently to put this before M. Delbos and to enquire further what our attitude was.

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[1] Mr. R.C.S. Stevenson was a First Secretary in the Foreign Office and Adviser on League of Nations Affairs.

[2] Mr. Stevenson's record of a previous discussion with M. Spitzmüller on September 15 is filed at W 17416/16618/41. M. Spitzmüller said that when approached by Signor Bova Scoppa, who wanted to know what was the French Government's attitude towards the Italian reply (No. 165), he had told him that while the British and French Governments would welcome Italian cooperation the reply must be considered as a refusal to participate at Nyon, and there was 'no question of the signatories of the Nyon arrangement running after the Italian Government to get them to change their mind' (cf. No. 164).

A note on this record stated that it had been seen by Mr. Eden and Sir R. Vansittart who confirmed that the French attitude corresponded to theirs, but felt that 'no further discussions with the Italians were desirable *at Geneva*'.

[3] No. 165.

M. Spitzmüller had explained the matter to M. Delbos who had instructed him to reply on behalf of the French Delegation that the wording of the Italian reply made it exceedingly difficult for the French Government to regard it as an encouragement to continue negotiations with Italy. Nevertheless, he repeated that the French Government were ready to give full consideration to any observations which the Italian Government might desire to make. But any such observations should be clearly formulated and made through the diplomatic channel.

M. Delbos had instructed M. Spitzmüller to enquire from the United Kingdom Delegation whether they were in agreement with this attitude, and if so, whether M. Spitzmüller could so inform Signor Bova Scoppa.

I told M. Spitzmüller that I would enquire and let him know this morning. I thought, however, that the answer to his questions would be in the affirmative.

These repeated attempts by the Italian Government to negotiate their participation in the anti-piracy arrangements are interesting, and though Signor Bova Scoppa's personal anxiety to carry out his mission successfully should be discounted, it is clear that the Italian Government are somewhat uneasy. I think, however, that we should stick to our determination not to allow any further negotiations with Italy in Geneva, and reaffirm our readiness to give full consideration to any Italian observations made through the diplomatic channel.[4]

R. C. SKRINE STEVENSON

[4] The following minutes are appended to this document. 'S. of S. approves. O. Harvey.' 'I have so informed the French Delegation. R.C. Skrine Stevenson. 17/9.'

No. 174

Mr. Ingram (Rome) to Foreign Office (Received September 18, 8.45 p.m.)

No. 532 Telegraphic [*W 17549/16618/41*]

ROME, *September 18, 1937, 5.40 p.m.*

Addressed to Geneva telegram No. 47.

Your telegram No. 12.[1]

The desired interview was fixed yesterday evening for midday to-day.

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[1] No. 171.

My French colleague and myself were duly received shortly after midday by the Minister for Foreign Affairs. We handed His Excellency copy of the text which he acknowledged. He only glanced at the text but devoted a good deal of attention to the verbal communication which we then proceeded to make to him and of which we gave him a copy for purpose of reference.

2. As to the verbal communication Count Ciano said he would have to consult the Head of the Government before he could reply. He said moreover that it was impossible for him to indicate when or even whether at all any reply would be forthcoming.

3. Without making observation specified in last paragraph of your telegram No. 12 His Excellency nevertheless at the moment when we were leaving expressed a certain surprise that the Italian note of September 14th should have seemed difficult to understand.[2]

Repeated to Berlin.

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[2] In his telegram No. 533 of September 18 Mr. Ingram remarked that throughout this interview 'which was very short His Excellency gave an impression of nervous impatience alternating incongruously with an attempt to appear stiff if not arrogant'.

No. 175

Foreign Office to Major W. Follett Routley (Ajaccio)[1]

Unnumbered Telegraphic [W 17378/16618/41]

FOREIGN OFFICE, *September 18, 1937, 10.30 p.m.*

Under Nyon agreement Powers agreed to advise shipping to follow special routes in Mediterranean for greater safety.

Please instruct Consuls at posts under your supervision to inform all British ships and advise them to obtain particulars from owners who have been fully informed by Board of Trade. Particulars are also being broadcast by Wireless Telegraphy twice daily for three days from Rugby and on commercial wave twice daily for seven days from Gibraltar, Malta and Aden beginning p.m. 18th September. You will receive printed copies of notices to mariners in ordinary distribution.

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[1] And to 32 other consular posts in the Mediterranean area. Major Follett Routley had been H.M. Consul at Ajaccio since 1923.

No. 176

Mr. Ingram (Rome) to Foreign Office (Received September 19, 3.20 p.m.)

No. 539 Telegraphic [*W 17551/16618/41*]

Immediate ROME, *September 19, 1937, 2 p.m.*

Addressed to Geneva No. 51.

My immediately following telegram.[1]

Following is translation of verbal communication dated September 18 and handed to my French colleague and myself by the Minister for Foreign Affairs this morning.

'The Italian Government believed from their note of September 14[2] the significance would be easily apparent of the observations contained therein relative to an eventual Italian participation in the Naval measures provided for by Nyon agreement September 14 in which, following the verbal communication made today by the Chargé d'Affaires of France and Great Britain[3] relative to the Italian note and above mentioned measures, the Italian Government wish to make it clear (*precisa*) that by equality of rights with any other Power in any zone of the Mediterranean, they mean that for participation in naval measures a position must be reserved to Italian fleet equal to that of the French and British fleets.

The above statement thus defined (*precisato*) assumes the character of a positive observation'.

Repeated to Berlin.

[1] No. 177 below.

[2] No. 165.

[3] See No. 174.

No. 177

Mr. Ingram (Rome) to Foreign Office (Received September 19, 7.36 p.m.)

No. 540 Telegraphic [*W 17645/16618/41*]

Immediate ROME, *September 19, 1937, 5.25 p.m.*

Addressed to Geneva No. 52.

Your telegram No. 12.[1]

Minister for Foreign Affairs summoned my French colleague and myself to see him at eleven a.m. this morning when he read to us and eventually handed us text of a verbal communication translation of which is contained in my immediately preceding telegram.[2]

He explained that the word 'to-day' in that communication was due to the fact that text was drafted yesterday and would have been given to us last night but he had wished to keep Berlin informed and had been unable to do so until it was too late to summon us. He emphasized that he had not consulted Berlin but merely been at pains to keep them informed.

[1] No. 171.

[2] No. 176.

2. His Excellency who seemed in a far more cordial and conciliatory frame of mind than yesterday then invited us to a discussion of the document with a view to elimination of any possible future misunderstanding. He thus made it clear to us that once principle of parity with French fleet and British fleet in the tasks and zones allotted to them were admitted for Italian fleet the participation of Italy in applying Nyon agreement could in principle be regarded as assured and should in practice be realised ('devrait être pratiquement realizée'). If our two governments would grant this His Excellency was only too anxious to get speedily to work. Although he had not yet discussed the matter with his technical experts it was his desire that details should be worked out quickly by consultation between the experts of all concerned particularly in view of the fact that he was leaving for Germany on September 24.

3. His Excellency then recapitulated what he termed the history of the Italian attitude. Italy had been ready to discuss anti-piracy measures in the Mediterranean. She had been ready to go to the neighbourhood of Geneva to do so once Germany were invited and it was clear that the past would not be raked up. Then came Russian accusations[3] which for Italy created different situation so far as attendance at Nyon Conference was concerned. As to results of that conference Italy was in principle prepared to participate in applying arrangement if she were assured of equal treatment for her fleet with the fleets of Great Britain and France in the tasks and zones allotted. His Excellency made it clear to an enquiry of ours that it was parity with each of our fleets individually and not with the two fleets collectively that the wording of his communication was intended to convey.

4. As we left His Excellency expressed confident hope that response of our two Governments would be both favourable and immediate. Time was getting short if we were to achieve anything before he left on September 24.

5. Minister for Foreign Affairs said that a *communiqué* in terms of which we concurred would be issued to the Press at 6 p.m. this evening. Text is translated in my immediately following telegram[4] and in Minister for Foreign Affairs' opinion puts the position possibly even more clearly than that of his verbal communication.

Repeated to Berlin.

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[3] See No. 127.

[4] Not printed.

No. 178

Mr. Ingram (Rome) to Foreign Office (Received September 19, 7.15 p.m.)

No. 542 Telegraphic [W 17553/16618/41]

Immediate ROME, *September 19, 1937, 5.25 p.m.*

Addressed to Geneva telegram No. 54 of September 19th.

Count Ciano's attitude this morning was so different that I am inclined to think the change may be due to Signor Mussolini himself rather than to Berlin who it would seem from the internal evidence of the text of verbal communication explained by His Excellency, were only informed late yesterday evening of an already determined text.

I may be over optimistic but I have distinct impression that if His Majesty's Government and the French government were prepared at once to inform Italian government that they would welcome collaboration of Italian fleet in eastern and in western Mediterranean for the purpose of giving effect to Nyon arrangement and were equally ready to appoint experts to work out details of that collaboration we should find Italy prepared to 'play' and disposed not to create undue difficulties over matters of detail.

May I repeat my view that it is a question of prestige which is deciding factor more than the substance of proposed scheme. Of course the desire to create an atmosphere at Geneva favourable to some step being taken there to facilitate recognition of the Empire is also playing a big part in Italian attitude.

Repeated to Berlin.

No. 179

Mr. Ingram (Rome) to Foreign Office (Received September 20, 9.30 a.m.)

No. 546 Telegraphic [*R 6299/1/22*]

ROME, *September 20, 1937, 1 a.m.*

Addressed to Geneva No. 60 of 19th.

Your telegram No. 46 to Foreign Office.[1]

It will be recalled that Signor Mussolini's idea of Anglo-Italian conversations was that they should be comprehensive and produce lasting results—see Sir E. Drummond's telegram No. 428.[2] Count Ciano (see my telegram No. 479)[3] indicated that it was difficult to see what ground they could cover unless recognition had been accorded or were assured. Should therefore Geneva atmosphere preclude any advance during this Assembly towards the demise of the Negus's Abyssinia Mussolini may quite possibly prefer not to begin conversations at all if their scope is restricted and not comprehensive, particularly if we continue, as it appears to all Italians, to snub Italy over her prestige as a Mediterranean Power.

2. If today's advance—see my telegram No. 52[4]—is not met in some such way as is suggested in my telegram No. 54[5] then I fear Mussolini and Count Ciano will go off to Germany disillusioned and exasperated and will feel we have kicked them for good and all into German camp. They may or may not be welcome in such a milieu but their fixed presence in it will, I submit, retard perhaps indefinitely an Anglo-Italian rapprochement and prove an even more dangerous factor in European situation than present degree of Italian-German solidarity.

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[1] No. 170. [2] No. 82. [3] No. 124. [4] No. 177. [5] No. 178.

3. Nothing, I fear, will convince Mussolini that history of Nyon Conference is not a triumph of Soviet diplomacy by which (a) Russia has induced France and France has persuaded His Majesty's Government to adopt a plan which in effect will afford invaluable assistance to desperate cause of Valencia by ensuring safe delivery of Russian and perhaps other war material on pseudo British and other vessels,

(b) by producing a situation at Geneva whereby recognition of Italian Empire is again postponed,

(c) by destroying chances of Anglo-Italian rapprochement. He will argue that if there was a Russian trap, we have fallen into it as much as he has; and it will seem to him that we have allowed the French and Russians to lead us by the nose, particularly as up to September 13th we seemed to be meeting Italian susceptibilities but from that moment onward to be ignoring them and even deliberately trying to snub Italy.

4. Both my French colleague and myself have definite evidence that fresh volunteers are being called for but we have no evidence that any have yet been despatched. Preparations seem to be under weigh [*sic*] to concentrate them and shipping for them but I still await observations of His Majesty's Consul at Spezia on French information.

5. It will be no surprise to me therefore if the word is eventually given to send these volunteers to Spain. Signor Mussolini's prestige is staked on Franco's victory and he realises the danger of another winter campaign to Franco's chances. Even if we meet him over his Mediterranean prestige and he loyally collaborates in scheme he will none the less have been beaten so far as preventing additional supplies to Valencia is concerned. That defeat to himself at least he will have to admit but when frustrated he has never been afraid to change his course and he may decide that his only alternative is quickly to make sure of Franco's victory by reinforcing him with material and men.

6. There is, however, just a possibility that if we meet Mussolini halfway over Nyon scheme we might

(a) prevent him in a fit of angry despair from tying himself up with Hitler in an irrevocable manner and

(b) make possible the initiation of Anglo-Italian conversations on a restricted basis.

Chances of all this are now, I admit, slender: but it seems to me with all deference that they are worth taking unless far worse is to befall. Is there not after all something to be said for securing even a semblance of Anglo-French-Italian co-operation in the Mediterranean and thus keeping the door open despite Berlin-Rome axis?

No. 180

Mr. Edmond (Geneva) to Foreign Office (Received September 21, 9.30 a.m.)

No. 62 Telegraphic [*W 17712/16618/41*]

GENEVA, *September 20, 1937, 11.30 p.m.*

Following from Secretary of State.

Addressed to Rome No. 18.

Your telegram No. 51.[1]

You should concert with French colleague to make the following verbal communication to the Minister for Foreign Affairs leaving a copy with him:

The Government of France and His Majesty's Government in the United Kingdom have taken note of last verbal communication made by Italian Minister for Foreign Affairs and of explanations which accompanied it. The two Governments, who have already expressed their regret at the absence of Italy from the Mediterranean Conference, note with satisfaction the desire to participate in application of the Nyon arrangements thus shown by the Italian Government.

The Government of France and His Majesty's Government in the United Kingdom have never so far as they are concerned failed to recognise Italy's position as a great Mediterranean Power.

They would therefore be glad if cooperation of Italy could be obtained in application of a plan which has already had to be put into operation owing to gravity of the situation which this plan is intended to redress.

It is in this spirit that they propose that Naval experts of the three Powers should meet in Paris in the near future in order to explore practical modifications which it might be possible to make in the Nyon arrangements.

As soon as agreement should have been reached on this subject the two inviting Governments would take steps to obtain concurrence of other participating Powers.

Repeated to Paris, Berlin.

[1] No. 176.

No. 181

Extract from Mr. Eden's speech to the League of Nations Assembly on September 20, 1937 on the problem of raw materials

[*C 6604/3/18*]

Ladies and Gentlemen, may I for a moment refer to another matter which is before the Assembly for its discussion—the final report and recommendations of the Committee for the study of the problem of raw materials.[1] This enquiry has been of particular interest to us, because it was set up on the initiative of the United Kingdom representative at the Assembly two years ago.[2] We regret that certain countries which have regarded themselves as at a disadvantage in respect to the supply of raw materials should have felt unable to take part. The Committee has done admirable service in presenting the facts and figures of the situation in a manner which would remove all misunderstanding of the essential problem from the minds of those who studied it; and the report and recommendations are deserving of the most careful attention. The facts and figures which the Committee adduce show conclusively that the problem of raw materials is not primarily, or even substantially, one of colonial possessions. In fact,–and this is the figure I would leave on the minds of the Assembly—all colonial territories taken together produce only about three per cent of the world's supply of raw materials. We have always deliberately refrained from pressing the preferential system beyond a certain limited point; and when last year we became free to introduce a preferential system in Nigeria (which is our largest African colonial market) we did not do so.

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[1] Cf. Volume XVIII, Nos. 224, 264, 275, 618, 646, 648. The League of Nations Committee of Enquiry into the problem of raw materials had adjourned in June to allow the draft sub-committees' reports to be revised and statistics incorporated: see *ibid.*, Nos. 646 and 648. Sir

Sir, acting in the spirit which prompted our policy in this respect, and wishing to give effect to the recommendation of the Committee on Raw Materials, His Majesty's Government are ready, as part of the efforts now being made to effect economic and political appeasement and to increase international trade,—but without prejudice to the principle of colonial preference,—we are ready, I repeat, to enter into discussion with any Powers which may approach the United Kingdom Government for an abatement of

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F. Leith-Ross, in considering these drafts, came to the conclusion that they were not sufficiently critical of the policies of the 'have-not' powers, and, expressing his concern that the final report might turn out completely anodyne, drafted an amendment which was a severe indictment of the armament policies and military expansionism of Germany, Italy, and Japan, which, he said, was the real cause of those countries' economic difficulties and also caused a world shortage of raw materials. He proposed to circulate this draft amendment to the Raw Materials Committee, but was persuaded not to after an extremely alarmed reaction from the Foreign Office. Long minutes by Mr. Jebb, Mr. Makins, and Mr. Strang among others were summed up by Sir R. Vansittart's comment of July 24: 'Everything that Sir F. Leith-Ross says is perfectly true, but one cannot say that kind of thing in this kind of way at this kind of time to these kind of people without extreme risk'. In a letter to Sir F. Leith-Ross of July 29 he explained that the Foreign Office were scared of provoking an angry German reaction in particular, although he congratulated him on 'a really brilliant analysis of the real difficulties of the so-called "hungry powers"'. After much correspondence concerning possible alternative and less 'explosive' amendments to the report, virtually nothing of Sir F. Leith-Ross's original draft survived into the report, which was in substantially the same terms as the draft reports of June. The report was published on September 7, and a copy is filed at W 16966/393/98.

There was also considerable discussion concerning Mr. Eden's speech to the League Assembly, on similar lines. Originally drafted by Mr. Ashton-Gwatkin, it was amended first by Mr. Eden himself, then to take account of a strong objection by Mr. Ormsby-Gore to paragraphs offering a removal of imperial preference in tropical Africa: on this point see Volume XVIII, No. 618. The revised draft was seen by the Cabinet on September 8, and after a few slight amendements by Sir J. Simon was finally approved by Mr. Eden in the form printed here. The whole of Mr. Eden's speech is printed in *L/N.O.J.*, Records of the 18th Assembly, pp. 62–66.

[2] See Volume XIV, Appendix IV.

particular preferences in non-self-governing colonial territories where these can be shewn to place undue restriction on international trade.

This offer must, of course, be made subject to such reservations as may be necessary to secure reciprocal advantages to colonial products and to meet the competition of excessively low-cost producers. Let me add that this offer is merely an extension of the policy which has guided the United Kingdom in our commercial relations with foreign countries. We have always been ready, and still are ready, to discuss with any country any proposals which that country thinks likely to be of mutual benefit.

In making this statement, therefore, I refer not only to the British Colonial Empire but to the United Kingdom itself. But, Ladies and Gentlemen, I am afraid that no modification of the British or any other preferential system can provide any adequate remedy for the difficulties of those countries which, by maintaining exchange control, find themselves at a disadvantage in obtaining imports of raw materials and other things which they require. For, as the Committee's report so clearly shows, the principal difficulties of these countries arise not in obtaining raw material, whether from colonial areas or elsewhere, but in paying for those raw materials.[3]

[3] The Report of the Raw Materials Committee was adopted by the League Council on September 29. It was referred to the December meeting of the League Economic Committee for consideration of ways to put its recommendations into practical effect: for a report of this meeting see W 22487/393/98. Considerable Foreign Office discussion, ultimately inconclusive, of this issue can be followed in file 393/98, F.O. 371, vols. 21247/8.

No. 182

Mr. Ingram (Rome) to Foreign Office (Received September 21, 6.20 p.m.)

No. 550 Telegraphic [*W 17752/16618/41*]

Immediate ROME, *September 21, 1937, 4.35 p.m.*

Geneva telegram No. 18.[1]

Minister for Foreign Affairs received my French colleague and myself at midday. We had half an hour's conversation in which His Excellency made us feel that while fully realising the difficulties of all concerned he was anxious that a solution should be found.

2. He examined carefully the text of our verbal communication of which we handed him a copy and said that he must refer it to the head of the Government before he could give us an official answer. He then proceeded in a most friendly but *entirely unofficial* manner to a discussion of the document.

3. As regards the first paragraph he was inclined to take exception to the word 'desire' on the ground that the Italian government had never done more than express their good will in general and their readiness to cooperate had been the condition. As regards the second paragraph he would have liked to see 'on basis of Italian observations' follow on word 'obtained'. As regards

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[1] No. 180.

third paragraph he enquired whether it was not dangerous to send experts to a conference without defining the general principles on which their work was to be carried out.

4. Generally speaking he said that he searched in vain for the word 'parity' in our communication and he asked us if it was to be inferred from the text. We both said that we had no instructions to interpret the text. I however drew His Excellency's attention to the first words of third paragraph of text saying that speaking purely personally it seemed to me that the term 'in this spirit' was the most significant and that it governed the whole of the preceding paragraph. In fact it was in the spirit of recognising Italy's position as a great Mediterranean power that Italy's cooperation was so cordially desired. My French colleague also drew attention to the last sentence of third paragraph and Count Ciano immediately said he realised its importance. Monsieur Blondel also expressed the opinion that it would be difficult to alter text of our communication.

5. His Excellency proceeded to sum up personal impression our communication had conveyed to him. It gave Italy satisfaction in substance but not in form. If a formula could be found which could give Italy satisfaction in form we should not find Italian experts insisting on translating it into substance i.e. by wanting ship for ship, square mile for square mile etc. Experts would be found 'coulant' as regards details. If however question of parity in principle were not conceded in advance the business of proceeding to 'practical modifications' would give rise to endless bargaining. In fact our communication seemed to him to be putting the cart before the horse.

6. The Minister for Foreign Affairs said after consulting head of Government he would summon us again for a further conversation.

Repeated to Geneva.

No. 183

Mr. Ingram (Rome) to Foreign Office (Received September 21, 7.30 p.m.)

No. 551 Telegraphic [*W 17774/16618/41*]

ROME, *September 21, 1937, 6 p.m.*

My immediately preceding telegram.[1]

It occurs to me that there is a slight difference between our accepting an Italian claim to parity in general and our accepting it for the purpose of this anti-piracy conference. I quite realise that this may be over subtle and that it may prove impossible to alter the text of our verbal communication but I cannot help feeling that if words 'on the basis of Italian observations of September 19th' were inserted after words 'explore' in third paragraph of text (instead of in second paragraph as Count Ciano suggested) it might meet Italian general thesis as well as Count Ciano's point regarding basis of experts to work on. Moreover, does not text itself of Italian verbal communication of

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[1] No. 182.

September 19th, see my telegram No. 51 to Geneva,[2] limit their desiderata to the particular naval measures in question?[3]

2. If, however, text of our communication cannot be altered would it be possible to evolve an agreed *communiqué* to meet the case? I submit in my immediately following telegram a tentative draft.[4]

3. I should add that I have not consulted my French colleague about either of the above suggestions as I sense that he would be reluctant to associate himself with them and I do not wish to embarrass him. In this connexion see my telegram No. 49 to Geneva.[5]

Repeated to Geneva.

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[2] No. 176.

[3] The Foreign Office was not, however, prepared to consider this proposal. A telegram from Sir G. Mounsey, No. 303 of September 22, told Mr. Ingram that he would 'appear to be under some misapprehension as to the conditions under which this and earlier communications to the Italian Government about the Nyon Conference have been drawn up'. They had been carefully concerted between the French and British delegates at Geneva, and were 'worded so as to indicate the exact extent of the approach which those two Delegations were prepared to make together to the Italian Government'. There could, therefore, be no question now 'of either altering or amending the sense of the text of any of these communications'.

[4] Not printed.

[5] In this telegram of September 18 (No. 537 to London, R 6270/135/22), which concerned Italian anger at Mr. Eden's supposed attempts to prevent discussion of the Abyssinian question at Geneva, Mr. Ingram said that his French colleague did not conceal his desire to make things as difficult as possible for the Italians, and that the French Embassy had a reputation as anti-Fascist in Italian official circles.

No. 184

Mr. Ingram (Rome) to Foreign Office (Received September 22, 9.30 a.m.)

No. 554 Telegraphic [*W 17773/16618/41*]

Immediate ROME, *September 21, 1937, 9 p.m.*

My telegram No. 550.[1]

Minister for Foreign Affairs received my French colleague and myself at 6.15 this evening and made to us a verbal communication text of which is contained in my immediately following telegram.[2]

No discussion followed. His Excellency merely said that he now waited to hear from us when it would be convenient for discussions to begin while we thanked him for his communication.[3]

Repeated to Paris, Geneva and Berlin.

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[1] No. 182.

[2] No. 185 below.

[3] Commenting on telegram No. 554 later in the day in his telegram No. 559, Mr. Ingram thought it 'perhaps worth noting that this is the third time in the course of a week' that Count Ciano's ultimate response had been less stiff than his preliminary reactions to a Franco-British communication had anticipated. He thought that 'a moderating influence was on each occasion exercised on Count Ciano'. The change might be attributable to Berlin in the first instance 'but on the last two occasions I personally suspect that it came from Signor Mussolini himself'. The French Chargé d'Affaires was, however, 'inclined to attribute change on each occasion to Berlin'.

No. 185

Mr. Ingram (Rome) to Foreign Office (Received September 22, 9.30 a.m.)

No. 555 Telegraphic [*W 17767/16618/41*]

Important ROME, *September 21, 1937, 9 p.m.*

My immediately preceding telegram.[1]

Following is translation of text of a verbal communication just made to my French colleague and myself by the Minister for Foreign Affairs.

'In their verbal communication of September 17th [*sic*][2] the Italian Government made it clear that by equality of rights with any other Power and in any zone of the Mediterranean they meant that for participation in naval measures in the Mediterranean a position must be reserved for the Italian fleet equal to that of British and French fleets.

The British and French Governments in their verbal communication today[3] give an assurance that for their part they have never thought of refusing recognition of (*disconoscere*) the position due to Italy as a great Mediterranean Power.

The Italian Government take note of this communication; and have the honour to state that they agree that naval experts of the three Powers should meet at Paris at an early date to establish Italian participation in the service of naval supervision in the Mediterranean in such a way as to realize the premises above indicated.'

Repeated to Paris, Berlin, Geneva.

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[1] No. 184.

[2] See No. 176.

[3] See Nos. 180 and 182.

No. 186

Sir G. Ogilvie-Forbes (Berlin) to Foreign Office (Received September 22)

No. 590 Saving: Telegraphic [*C 6604/3/18*]

BERLIN, *September 21, 1937*

The Secretary of State's speech at Geneva[1] has not had a good press. The *Deutsche diplomatisch-politische Korrespondenz* and the *Börsen Zeitung* use familiar arguments to controvert those passages of the speech dealing with the raw material, currency and colonial problems.

The *Deutsche Allgemeine Zeitung* and the *Berliner Tageblatt* in sarcastic leading articles complain that the Secretary of State expects world politics to mark time until England has completed her rearmament.

The *Deutsche Allgemeine Zeitung* concludes: 'It was an un-European speech. According to Mr. Eden's programme we are all to be saved by means of a recovery of world trade; the latter is to be controlled by England. The supply of raw materials is to be cut off at will from disobedient children. The right is reserved if the "Have Nots" are at the point of suffocation to open the door a little so as to allow a breath of fresh air as an act of grace. With such speeches we cannot begin to make progress; nor, as we believe, can the English.'

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[1] See No. 181.

Repeated to Paris No. 48 Saving.

No. 187

Mr. Ingram (Rome) to Mr. Eden[1] *(Received September 23, 9.30 a.m.)*

No. 563 Telegraphic [*W 17833/7/41*]

ROME, *September 22, 1937, 8.10 p.m.*

My telegram No. 60 to Geneva.[2]

In the course of informal conversation with Minister for Foreign Affairs this afternoon I told him there were a lot of rumours going round about acceleration of recruiting for Spain all over Italy and that this was just the sort of story that mischief makers got hold of in order to create trouble. If it were true and it were followed by a fresh despatch of Italian volunteers to Spain the whole atmosphere which now showed signs of clearing as a result of Italian cooperation in forthcoming conversations of experts in Paris would be hopelessly upset again. It would be sheer folly for Italy to despatch fresh volunteers to Spain.

His Excellency said that there was absolutely no question at the moment of sending any fresh volunteers to Spain. Recruiting was always going on for militia and Black-shirts and sometimes it was pursued with greater vigour than at others. It was always possible that some recruits thought they were destined for Spain but he could assure me that there was no intention of despatching any now.

Repeated to Geneva.

[1] Mr. Eden flew to London on the evening of September 21 and returned to the Foreign Office on September 22.

[2] No. 179.

No. 188

Mr. Edmond (Geneva) to Mr. Eden (Received September 23, 2 a.m.)

No. 69 Telegraphic [*W 17808/7/41*]

Most Immediate GENEVA, *September 22, 1937, 11.30 p.m.*

Following from Mr. Elliot.[1]

Lord Cranborne was informed this evening by Monsieur Delbos that he had received an official visit from the Italian permanent delegate in Geneva.[2]

[1] Mr. Walter Elliot, Secretary of State for Scotland, was a member of the U.K. delegation to the League Assembly.

[2] M. Delbos' account of two conversations with Signor Bova Scoppa on September 22 is printed in *D.D.F.*, *op. cit.*, No. 481.

The latter had said that he had been instructed by Count Ciano to make official communication in the following sense.

Signor Mussolini had heard that French Government were anxious regarding Italian intentions in Spain. He wished to assure Monsieur Delbos that Italian Government have no intention whatever of leaving a single man either in Spain or in Balearic Islands once the civil war had been brought to an end. He was prepared to make a solemn declaration to that effect at any time that Monsieur Delbos considered opportune.

Monsieur Delbos had replied such declarations had been made by Signor Mussolini on previous occasions. The subsequent activities of the Italian Government had raised some doubt about their sincerity. Frankly he thought any such declaration would be useless unless it were accompanied by something definite in the way of an agreement regarding the withdrawal of volunteers and the cessation of consignments of war material to Spain. Signor Mussolini had said that he did not wish to leave troops in Spain after the civil war was over should he think it necessary to assist General Franco at any time in the future if the latter had trouble as he probably would with opponents of his régime. Italian permanent delegate retorted by objecting that Soviet Government would interfere in Spain and would thereby force Italy to counteract their activities. Monsieur Delbos thereupon suggested that it could be arranged that Soviet Government should make a similar declaration to that of Italian Government. This suggestion seemed to embarrass Italian permanent delegate who nevertheless said that he would pass it on to his government.[3]

Monsieur Delbos then proposed that in order to give effect to his suggestion Italian declaration should be accompanied by an agreement on withdrawal of volunteers and cessation of munition supplies. Tripartite (*sic*) Anglo-French conversations should be initiated immediately.

Italian permanent delegate undertook to put this proposal immediately before Count Ciano and to let Monsieur Delbos have a reply very shortly.

Monsieur Delbos told Lord Cranborne that he had drawn two conclusions from Italian move (1) that Count Ciano by making this approach to him had taken the action at Rome suggested in his aide-mémoire.[4] He was convinced that advantage should be taken of this opportunity; (2) that method employed at Nyon was right. Close Anglo-French co-operation was absolutely indispensable. He had therefore taken it upon himself to suggest to Count Ciano inclusion of supplies in any further conversations with Italian Government on this subject.

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[3] This version of what M. Delbos said to Signor Bova Scoppa regarding the possibility of Italian troops remaining in Spain in case of Soviet interference does not completely coincide with M. Delbos' own account: cf. *D.D.F.*, *ibid.*, p. 837. Nor is there any suggestion in the French account that Signor Bova Scoppa was embarrassed by the idea of a declaration by the Soviet Government. According to M. Delbos, the Italian delegate himself stipulated that 'le retrait des volontaires et la cessation des fournitures ne peuvent être envisagés qu'en fonction de garanties analogues du côté soviétique'.

[4] The reference is to an aide-mémoire of September 18 handed to Mr. Eden by M. Delbos at Geneva on September 20: see No. 189, note 2 below.

Monsieur Delbos said that he hoped to receive a reply from Italian Government at a very early date. In the meantime he hoped that His Majesty's Government would make no parallel approach such as you had suggested to Monsieur Corbin.[5] Such a step would he thought only give Signor Mussolini the opportunity of playing off Great Britain against France and vice-versa. He said that he would let Lord Cranborne know as soon as he received a reply from Count Ciano.[6]

Repeated to Rome.

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[5] See No. 190 below. Mr. Eden agreed to M. Delbos' request in telegram No. 46 to Geneva of September 23.

[6] According to *D.D.F.*, *ibid.*, No. 481, Signor Bova Scoppa had in fact given three notes to M. Delbos on September 22. The first was the message from Signor Mussolini paraphrased in paragraph 3 of the present telegram. The second was a draft motion for the League of Nations, saying that as all doubts regarding Italian sovereignty in Ethiopia must now have been dissipated, it would be possible for Italy to return to the League; the third was an extract from the proceedings of the Credentials Committee of September 1936, which seemed to justify recognition if Ethiopia ceased to exist as a state. According to M. Delbos, he told Signor Bova Scoppa that he would have to refer the second two notes to his government before giving any comment.

No. 189

Mr. Eden to Mr. Lloyd Thomas (Paris)

No. 1807 [*W 17810/7/41*]

FOREIGN OFFICE, *September 22, 1937*

Sir,

I had a conversation with M. Chautemps of nearly two hours duration in Paris yesterday, the greater part of which was taken up with a discussion of the Spanish situation.[1] M. Chautemps, it will be remembered, is to the Right of probably all his colleagues in his attitude towards the Spanish conflict. He has been a convinced supporter of the policy of non-intervention throughout, and his attitude as revealed during this conversation is therefore all the more significant.

2. M. Chautemps began by speaking of the attached memorandum[2] which

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[1] Mr. Eden passed through Paris on September 21 on his way home to London from Geneva, and lunched with M. Chautemps, the French Prime Minister, and M. Léger.

[2] Cf. No. 188, note 4. This aide-mémoire, the full text of which is printed in *D.D.F.*, *op. cit.*, pp. 839–41, referred to Italy's deliberate violation of her non-intervention engagements, to the French Government's agreement to postpone a reconsideration of their position on Mr. Eden's request pending the deliberations of the Nyon Conference, and the need now for a Franco-British *démarche* at Rome. It referred to evidence that Italy was preparing to send important reinforcements of personnel and material to Spain, and proposed that the two governments should demand an immediate halt to such reinforcements, Italy's agreement to place the withdrawal of volunteers on the agenda of the N.I. Committee, and a token withdrawal of a number of Italian volunteers from Spain (10–15,000) within 15 days. In making this *démarche*, the British and French representatives would hold language sufficiently definite to ensure that the Italian Government could entertain no doubt on the importance attached to the affair. If the British Government did not agree to this course of action, what alternative did they suggest?

M. Delbos had left with me in Geneva the night before.[3] He confessed that he was profoundly preoccupied by recent developments in the Spanish situation. He feared that there were many indications that not only were the Italian Government unwilling to contemplate any withdrawal of the Italian nationals at present in Spain, but that they were actually contemplating sending more troops. French information showed that these preparations had been going on for some little time. He must tell me frankly that French opinion was undergoing a profound change in respect of non-intervention. Previously opposition to non-intervention had come exclusively from the Left. This was now no longer the truth. M. Chautemps himself found it impossible to believe that the purpose which Signor Mussolini had in mind in expending so much effort on behalf of General Franco was solely to win an ideological victory. He admitted the importance of prestige to dictators, but was convinced that Signor Mussolini now had other motives. It was difficult to define these motives. They probably included a determination to establish himself at least in the Balearics and in the Canaries, and possibly to make arrangements with General Franco in order that Italy might have the use of other bases. In any event French communications were threatened. That was now the view of the French Government and nation. In such conditions the French Government could not be expected to make no endeavour to remedy the present state of affairs. Above all they could not keep their own frontier closed while arms, material and even men were being sent to General Franco by Italy.

M. Chautemps reminded me that France had a commercial treaty with Spain by which she was obliged to supply that country with arms. It was impossible for the French Government to go on breaking that Treaty when Italy was not even pretending to observe the Non-Intervention Agreement.

3. M. Chautemps was emphatic that if present conditions continued and above all if Signor Mussolini were to send more men to Spain, then the French frontier would inevitably have to be re-opened. He did not, however, wish matters to come to this pass, and he had therefore agreed with the general terms of the communication which M. Delbos had suggested should be made by our two Governments in Rome. Its object was preventive: to endeavour to induce the Italian Government to moderate its attitude in order that the French-Spanish frontier might not have to be opened.

4. Upon my remarking that it was the convinced opinion of those of our advisers who knew Spain best that General Franco would never agree to an Italian domination of Spain, M. Chautemps admitted that he had been of this same opinion in the past, but whatever General Franco might wish if there were 100,000 Italians in Spain he would not be a free agent, and for a time at least would be under Italian and German orders. This period might coincide with one very critical to Europe with the result that France would have to protect a third frontier. If, for instance, Italy were established in the Balearic Islands it would be small comfort for the French to know that General Franco

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[3] For M. Delbos' account of his conversation with Mr. Eden on September 20 see *D.D.F.*, *ibid.*, pp. 838–9.

did not wish them to stay there, for Franco had no ships with which to turn them out. Upon my making certain criticisms of the form of the Aide-Mémoire which the French Government had left with us, M. Chautemps agreed that it would probably be wiser to leave out any mention of time limit of 15 days such as was proposed in para. 7, and also agreed that its form might well be modified, particularly if the Italian Government accepted the invitation to discuss the Nyon arrangement in Paris. His object was that the Aide-Mémoire should be not a menace, but a friendly talk.

5. If non-intervention was to be continued by the French Government in the sense of the frontier being kept closed, some legislation would sooner or later have to be passed when Parliament met. It would be impossible for any French Government to carry such legislation through Parliament while the Italian Government were behaving as they were now. The Prime Minister further emphasised that he thought there was an advantage in speaking direct in Rome, rather than bringing the matter before the Non-Intervention committee, since the latter would result in publicity as a result of which the Italian Government would be compelled to take up a position from which they would have difficulty in receding.[4]

I am, etc.,
ANTHONY EDEN

[4] An unsigned and undated Foreign Office minute on the aide-mémoire (W 17810/7/41) included the following comment: 'The French Government are insatiable. Despite our initial opposition, they achieved the inclusion of Soviet Russia among the powers represented at the Nyon Conference, and whether indirectly or directly the exclusion of Italy. They then rushed through an agreement which constituted an Anglo-French hegemony in the Mediterranean while at the same time making those waters quite safe for Russian supplies to Valencia. They are now hoping to drag us into a concerted step at Rome which will finally render impossible the further pursuit of the proposed Anglo-Italian conversations.'

No. 190

Mr. Eden to Mr. Lloyd Thomas (Paris)

No. 1815 [*W 17853/7/41*]

FOREIGN OFFICE, *September 22, 1937*

Sir,

I asked the French Ambassador to come and see me to-day, when I told him that I had now given careful consideration to the aide-mémoire which M. Delbos had left with me on my departure from Geneva (see my despatch No. 1807 of to-day's date[1]) as also to the conversation I had had with M. Chautemps. I told the Ambassador that I was very doubtful of the wisdom of a joint *démarche* such as M. Delbos had proposed just previous to Signor Mussolini's departure for Berlin. I felt it might have a very different effect from that intended. Might it not give Signor Mussolini the very arguments of which he might stand in need to seek to induce Herr Hitler to suppport him in his Spanish policy? Could he not, for instance, say in Berlin: 'I told you the Nyon Agreement was not directed against piracy, but against Italy. What the British and French are seeking for is the dominion of the Mediterranean to prevent General Franco from winning. Neither you nor I can tolerate bolshevism in Spain, therefore you, Hitler, must support me, Mussolini, in my Spanish policy.' If Germany were to agree to do this we should then be faced with a situation of the greatest gravity. At the same time I fully appreciated that some attempt must be made to prevent the Italian Government sending more arms and men to Spain. Such a departure would also create a situation of the greatest gravity for Europe. In the circumstances it had occurred to me that as an immediate step it might be wiser for His Majesty's Government to speak frankly not so much on the basis of the memorandum which M. Delbos had submitted as on that of our impending conversations. I then told M. Corbin that if this line of approach were accepted, and I myself would much prefer it as a first step at least, then the language which we might use in Rome could perhaps be on the lines of the attached note[2] which I read to him. I explained to the Ambassador that this note had only been hurriedly dictated and was in no sense in a final form.

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[1] No. 189.

2. M. Corbin undertook to repeat what I had said to M. Delbos. At the same time he thought it might be difficult for the French to agree, since their public opinion would expect them to take some action in view of the many reports which were reaching them of Italian preparations for fresh intervention in Spain. It would probably be considered inadequate if they were to sit idly by for a week or so and leave all action to us. He promised to communicate with his Government and to let me know, if possible this evening, their views.

I am, &c.,
ANTHONY EDEN

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[2] The note suggested that His Majesty's Government should warn the Italian Government that any further despatch of men and material to Spain would make successful Anglo-Italian conversations impossible, and also that if the French Government felt unable to keep their Spanish frontier closed they would have British support. This suggested *démarche* was abandoned at M. Delbos' request: see No. 188.

No. 191

Sir G. Ogilvie-Forbes (Berlin) to Mr. Eden (Received September 24)

No. 870 [*C 6664/4222/18*]

BERLIN, *September 22, 1937*

His Majesty's Chargé d'Affaires at Berlin presents his compliments to H.M.

Secretary of State for Foreign Affairs and has the honour to transmit to him the under-mentioned documents.

Name and Date	Subject
From: Consul General, Munich	Nuremberg Party Rally[1]

Enclosure in No. 191

Mr. D. St. Clair Gainer (Munich) to Sir N. Henderson

No. 91

MUNICH, *September 14, 1937*

Sir,

The National Socialist Party Congress of 1937 at Nuremberg, called the 'Congress of Work', ended on the 13th of September. A notable feature of the Congress was its sedateness in comparison with the somewhat hysterical gatherings of previous years. No surprises were forthcoming and none had been expected. There is, in consequence, this year none of the disappointment visible in the so-called 'radical' circles of the N.S.D.A.P. which was clearly observable in 1936. The words of the Chancellor that no more surprises were to be anticipated have during the past year been digested and though there are still many who would like to see further legislation against the Jews and a more active control of the churches and their organisations, there are few, if any, who would urge at this moment any forward action in the field of foreign politics. The itch to impose German political philosophy upon other peoples is at present confined to trying to complete the edifice of the Anti-Bolshevik front of which one of the bricks is a Nationalist Spain. The ideal of Pan-Germanism emerged however only in the Chancellor's closing speech.

2. The Party Congress followed much the same programme as usual. The Police for the first time were included in the Party-state organisations. Emphasis was placed upon achievement, the usual comparisons were drawn and well drawn between the internal condition of Germany before 1933 and her present internal condition and above all upon the very different rôle

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[1] In despatch No. 844 of September 15 Mr. I. Kirkpatrick had supplemented Sir N. Henderson's despatch No. 831 (No. 160) with some further observations on the Nuremberg congress and the principal speeches. He remarked that some passages of Herr Hitler's final speech on September 13 'struck a discordant note in the otherwise comparatively moderate tone of the Congress . . . Herr Hitler would probably retort that the imminence of the Bolshevik danger justified violence of language'. A full translation of Herr Hitler's speech was forwarded in Berlin despatch No. 843 of September 14 (C 6468/4222/18).

In despatch No. 844 Mr. Kirkpatrick also commented that the 'number of English guests was smaller than in previous years, because, I am told, it has been found that their behaviour has not always given satisfaction'. Mr. Gainer, in a memorandum on the Nuremberg Congress not printed here, likewise commented on the conduct and small numbers of the private British guests. Sir R. Vansittart minuted: 'The English contingent seems to have behaved as ignobly as ever. I was heartily ashamed of the Mayfair whitebait & other intellectual small fry at the Olympiad last year. R.V. Oct. 1.'

which Germany now plays upon the world stage. It is, indeed, the primary object of the Congress to render an account of achievements up to date and to sketch the programme for the future. At the same time, however, the annual party Congress at Nuremberg has become of international importance in that Germany's position vis-à-vis other nations is as a rule defined and an answer is generally given to criticisms of German foreign and internal policy during the past year, which have been made by foreign countries. The Chancellor deals himself with the sins of foreign Governments, Dr. Goebbels with the sins of the foreign press.

3. This congress was chiefly remarkable for the emphasis laid upon the necessity of combating 'World Bolshevism'. It is customary on such occasions to hear wild and violent denunciations of Soviet Russia and her ally 'World Jewry', but this Congress has drawn specific attention to the fact that behind the violent denunciations which, addressed as from one sovereign state to another mark in themselves a great deterioration in international relations and custom, is a concerted action on the part of certain states to form a political and military bloc which may be called anti-Bolshevik but which in reality is a bloc of states with 'totalitarian' ideals in opposition to liberal thought throughout the world. By no stretch of a sane imagination can democratically governed nations be called 'Bolshevik' but what has been seen in Germany itself within the past four years can now be seen approaching in the world outside Germany. In Germany all who did not subscribe to the political philosophy of National Socialism were lumped together as Bolsheviks and Marxists, enemies of an ordered state, and among these were the Socialists, Social-Democratic, Catholic and Liberal parties of Germany. This division of parties into friends of peace and order and internal enemies of such ideals has now been stretched to cover nations who are sympathetic to totalitarian ideas and nations who are considered to be enemies of peace and world order and these latter include not only the one Communist nation, Soviet Russia, but also all countries professing democratic ideals or having Socialist, Liberal or Democratic governments. We know what happened in Germany in recent years, how the internal enemies of the National Socialist state were suppressed, are we also in due course to witness an attempt by the totalitarian powers to suppress those nations who have not yet 'seen the light'? The presence at Nuremberg this year of a large Italian semi-official delegation and a number of representatives of Nationalist and Fascist Spain leads one to think that the name 'Congress of Work' should better have been 'Congress of Totalitarianism'. Again the entire lack of understanding of the principles by which democratic nations are guided and of the true ideals underlying the democratic system are frightening. A democratic form of government, as practised by certain leading nations of the world, is doubtless unsuitable for countries with less political tradition and experience and narrower conceptions of human relations but it is both a travesty of the facts to class democracies with Communist-Bolshevik-Jewish disturbers of the peace and a very dangerous policy openly to form a bloc of totalitarian states to combat their ideals. There is one word which National Socialists are fond of

saying is not included in their vocabulary and that word is 'Compromise' but until that word is reintroduced, even though it should be somewhat Germanized, there is little hope of a peaceful future for the world. To a neutral foreigner like myself, who has so to speak grown up with the National Socialist state and who admires many aspects of the social work which the N.S.D.A.P. has done and is doing in its efforts to regenerate Germany and to create a new sense of service, the absolute value of human liberty becomes daily more evident. There can be no discussion or argument on this value, it is absolute. A nation that towards its own people, even from the highest motives, will not recognise this absolute value, cannot either be expected to recognise it in its dealings with other nations. It has once been well said that the only logical attitude for a Church to adopt is 'Believe or be damned'; this seems to me to be also the attitude of the modern German state in its relations not only with its own citizens but also with foreign nations.

4. The 'Congress of Work' may thus honestly be described as an anti-Bolshevik demonstration on a large scale addressed chiefly to 'left-wing' and democratic nations; ('Believe or be damned') with the closing military parade to lend strength to the warning.

5. The presence at the Congress for the first time of the representatives of certain countries, who had hitherto officially ignored it, has been a source of great satisfaction to the Party and is considered to be a sign that those countries are now convinced of the strength and durability of the National Socialist regime.

6. The Colonial question was raised only once officially by the Chancellor in accordance with his promise that he would not fail at due times to repeat his demand for colonies and once again semi-officially in his interview with journalists. Otherwise little emphasis was laid upon this secondary objective of German policy.

7. As regards the future, the programme may be said to comprise (a) The closest cooperation with states whose governments reject democratic government and who are prepared to proclaim undying war upon Bolshevism, (b) Intensification of work for the four years plan, (c) Stabilisation of wages and prices, (d) Popular and racial hygiene, and (e) the establishment of a classless society. It cannot, however, but be a matter for regret that other nations were not invited to cooperate with Germany except upon Germany's own terms without having to sacrifice their own political ideals or systems of government.

I have, etc.,
D. ST. CLAIR GAINER

No. 192

Mr. Edmond (Geneva) to Mr. Eden (Received September 24, 2 a.m.)

No. 72 Telegraphic [*W 17860/7/41*]

Most Immediate GENEVA, *September 23, 1937, 11.5 p.m.*

Following from Mr. Elliot.

Lord Cranborne went to see Monsieur Delbos this evening at the latter's urgent request. Monsieur Delbos explained that he wished to speak of the proper line of action in respect of Italy. He had received no further communication from Signor Bova Scoppa.[1] He was now anxious lest Signor Mussolini might use French reply suggesting conversations with the Italian Government as a bargaining counter when he arrives at Berlin. The nature of the bargain would be that unless Germany promised to go all lengths with Italy in Spain Italy would move into the Anglo-French camp. Monsieur Delbos therefore thought that time had come for a further approach to Count Ciano. *Démarche* he suggested should be made at the latest tomorrow evening before Signor Mussolini's departure for Germany. It should be a joint Anglo-French *démarche* on lines of aide-mémoire which had already been given to you.[2] It should be based on Signor Bova Scoppa's offer of a declaration that Italy had no territorial ambitions in Spain or the Balearic Islands. The British and French Governments should suggest that this joint declaration should be translated into something more solid. This would mean early tripartite conversations dealing with withdrawal of volunteers and cessation of intervention in Spain. They should indicate that any such agreement would apply not only to Italy and Germany but also to Russia and Monsieur Delbos added that if desired to France. It should be explained that no reply was expected before the return of Count Ciano from Berlin but an assurance would tend to ease the situation.

Lord Cranborne suggested to Monsieur Delbos that it was possible that the Italians would retort by asking whether in such an agreement we were willing to include recognition of the annexation of Abyssinia. Monsieur Delbos however pooh-poohed this saying briefly that we should answer that that was quite another question.

In Lord Cranborne's view there are considerable disadvantages to the course which Monsieur Delbos suggests, the main one being that there is in this negotiation nothing for the Italian Government and no reason why they should give any assurance such as the French Government requires nor is it likely that further *démarche* would remove from Signor Mussolini bargaining counter for what it is worth. He could still say to Herr Hitler that he has a reply from the French and British Governments offering to enter into negotiations.

In any case Monsier Delbos expressed his desire to have an answer at the earliest possible moment. I should be glad therefore of your views as soon as possible.[3]

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[1] See No. 188.

[2] See No. 189, note 2.

Repeated to Rome.

[3] Lord Cranborne had in fact already had a telephone conversation with Mr. Eden at 8 p.m. on September 23 on this subject: see No. 197, below.

No. 193

Mr. Ingram (Rome) to Mr. Eden (Received September 25)

No. 172 Saving: Telegraphic [*R 6394/200/22*]

ROME, *September 23, 1937*

Messages from London and Paris take note of the importance attached in these capitals to the Geneva conversations between Monsieur Delbos and Signor Bova Scoppa. The London correspondent of the *Tribuna* regards the new sympathetic consideration shown by the French Foreign Minister for Italy's standpoint on the various problems of the day as part of the intense activity in which British and French diplomacy is engaged on the eve of the Duce's visit to Germany.[1] The advisability has been recognised of putting in action those 'levers' which, it is thought, may change the course of events. The abandonment of the uncompromising attitude concerning the Nyon arrangement and the 'secret but most active' conversations about the future of Central Europe which are going on between London and Paris, and between Paris and other capitals, are other instances.

2. The Paris correspondent of the *Stampa* also suggests that the reason for the rapidity with which the conversations for the Paris meeting have been successfully concluded must be sought in the Duce's imminent visit to Germany. 'In the mind of its promoters the Paris meeting should constitute the drop of acid capable of paralysing the chemical combination expected from the Rome-Berlin axis'.

3. The London correspondent of the same newspaper believes that the Paris discussion will mark time, if it is true that the British Government are unwilling to commit themselves towards Italy until after Signor Mussolini's visit to Germany. It is believed in England that Mussolini and Hitler will discuss all the major international problems, and it is, therefore, desired that Italy should remain uncertain as to the future of Anglo-Italian relations and should hesitate to assume new obligations. At the same time, it is with the object of preventing Italy from falling into Germany's arms that London has felt the necessity of that change of attitude towards Italy which has led to the summoning of the Paris naval conference. 'This game of diplomatic cunning is being tried in spite of the evidence that the Rome-Berlin axis is today as solid as ever'.

4. An editorial note of the *Stampa* says that the Duce's visit to Germany is an event which may hold out the widest possibilities for Europe. Its protagonists

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[1] Signor Mussolini was to arrive in Germany on September 25: see Nos. 215 and 225 below.

aim at peace and justice. But in order to proceed in agreement in this case, four, and not only two, are required. 'No speculation on the meetings of Munich and Berlin is possible; serene observation and loyal decisions are necessary'. As the phases of the diplomatic conflict of the last weeks have shown, the premise of any discussion and agreement is that Russia must stay in her place, which lies outside the Mediterranean and outside, or at least on the margin of, Europe.

Repeated to Geneva No. 8 Saving.

No. 194

Mr. Eden to Mr. Lloyd Thomas (Paris)

No. 1817 [*W 17865/7/41*]

FOREIGN OFFICE, *September 23, 1937*

Sir,

I asked the French Ambassador to come and see me this morning, when I read to him Geneva telegram No. 69.[1] I also told the Ambassador of the message which I had sent to Lord Cranborne in our telegram to Geneva No. 46.[2] I was inclined myself to regard this Italian move as distinctly encouraging and I was in full agreement with M. Delbos that we should make no further communication to Rome either on the lines I had suggested or on the lines of M. Delbos' original suggestion, pending the receipt of some reply from Count Ciano. The Ambassador expressed his full agreement with my views of the improvement of the international situation which this Italian move indicated; he regarded it as further evidence of the good effect produced on the European situation as a whole by the Nyon Agreement.[3]

I am, etc.,

ANTHONY EDEN

[1] No. 188. [2] See *ibid.*, note 5.

[3] M. Corbin's account of this conversation is printed in *D.D.F.*, *op. cit.*, No. 485.

No. 195

Mr. Eden to Mr. Ingram (Rome)

No. 304 Telegraphic: by telephone [*W 17808/7/41*]

Most Immediate FOREIGN OFFICE, *September 24, 1937, 1.30 p.m.*

Please seek interview immediately with Count Ciano and refer to M. Delbos' conversation with Signor Bova Scoppa.[1] Tell him that His Majesty's Government welcome the assurances given to M. Delbos and yourself. You should add that His Majesty's Government agree entirely with the line taken

[1] See No. 188.

by M. Delbos with Signor Bova Scoppa and endorse the former's suggestion for tripartite conversations to deal with the withdrawal of volunteers and cessation of intervention in Spain. You should tell Count Ciano that His Majesty's Government and the French Government hope in the course of a few days to be able to indicate in a joint note to the Italian Government their exact attitude in regard to these matters.

Your French colleague is also being instructed to make this latter intimation to Count Ciano.[2]

Repeated to Paris, No. 178, and Geneva, No. 48 L.N. (by telephone).

[2] For the origins of this telegram see No. 197 below.

No. 196

Mr. Ingram (Rome) to Mr. Eden (Received September 25, 9.30 a.m.)

No. 570 Telegraphic [*W 17960/16618/41*]

ROME, *September 24, 1937, 8.40 p.m.*

Count Ciano having already left for Berlin French invitation for Italian experts to attend Naval Conference at Paris on September 27th was delivered by French Chargé d'Affaires at 1 p.m. this afternoon to the Head of European and Mediterranean section at Ministry of Foreign Affairs.[1] Signor Buti gave French Chargé d'Affaires to understand Italian delegates would proceed to Paris and that they were likely to be Vice Admiral Pini, Deputy Chief of Naval Staff and Rear Admiral Raineri Biscia, Head of Treaty Department, Ministry of Marine.[2]

[1] Cf. Nos. 180, 182, and 185.

[2] See Nos. 200, 203, and 204 below.

No. 197

Mr. Eden to Mr. Lloyd Thomas (Paris)

No. 1829 [*W 17968/7/41*]

FOREIGN OFFICE, *September 25, 1937*

Sir,

At 8 p.m. on the evening of the 23rd September, Lord Cranborne rang me up from Geneva to say that M. Delbos had sent for him urgently with a view to seeking our concurrence in an immediate joint *démarche* to Rome, in order to make clear to the Italian Government that the assurances which had been given that more men would not be sent to Spain were not sufficient to meet the present difficulties of the Spanish situation. M. Delbos was particularly apprehensive lest the Italians should be under the impression that having once given these assurances, nothing more was required.

I explained that it would not be possible for me to give an immediate decision in a matter of this importance. It seemed to me that what M. Delbos now meant to say in Rome was the same as what he had already said in Geneva. I was not convinced that this repetition was wise, but in any circumstances I should require to know in more detail what was to be said and I asked Lord Cranborne to telegraph to London a record of his interview and to tell M. Delbos meanwhile my first impressions and to add that I would, however, give careful consideration to the suggestion in the morning and would communicate with him again before noon.

At 9 o'clock on the 24th September, the French Ambassador rang me up and spoke much in the sense of Lord Cranborne's communication to me. After explaining to the Ambassador the reply which I had already given to Lord Cranborne, we arranged to meet at the Foreign Office at 11 o'clock where a further long conversation took place in which Sir A. Cadogan participated.[1] I explained to the Ambassador that on reflection I continued to be very doubtful of the wisdom of the step which M. Delbos desired to take. I had now the advantage of Lord Cranborne's record of his conversation with M. Delbos (Geneva telegram No. 72)[2] and from that it appeared that M. Delbos was apprehensive lest the Italians should have regarded his conversation with M. Bova Scoppa as so far strengthening their position as to enable them to bargain in Berlin. If this were indeed a fact, of which I was myself sceptical, then there was surely all the more reason for not repeating exactly the same communication in Rome, which could only have the effect of increasing the risk the consequence of which M. Delbos himself feared. It was important not to create the impression that we were 'running after the Italians'. I thought that M. Delbos' communication to M. Bova Scoppa had been exactly right and that it would be better to leave matters as they were until either M. Bova Scoppa returned a reply to M. Delbos' questions, or Signor Mussolini returned to Rome. In the meanwhile we could make it quite clear by means of the Press that the problem of intervention in Spain was too complicated a one to be resolved merely by an Italian undertaking not to send more men. If, however, the French Government keenly desired to send some communication to Rome, then I thought the wisest course would be for His Majesty's Chargé d'Affaires to see Count Ciano, to take note of the assurance which Count Ciano had given him in respect of the despatch of more men and to express himself as in full agreement with M. Delbos' desire for tripartite conversations to deal with the situation. After further discussion M. Corbin undertook to speak to M. Delbos on the telephone and came back to report that M. Delbos saw the force of the arguments which I had put forward and was prepared to agree to the procedure I had suggested, though he would at the same time instruct his Chargé d'Affaires in Rome to emphasise the language held by M. Delbos to M. Bova Scoppa in Geneva. The attached telegram to Rome, No. 304[3] was concurred in by the French Ambassador.

I am, etc.,

ANTHONY EDEN

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[1] See *D.D.F.*, *op. cit.*, No. 489, for M. Corbin's account of this meeting.

[2] No. 192.

[3] No. 195.

No. 198

Letter from Mr. Nichols to Sir G. Ogilvie-Forbes (Berlin)

[R 6240/188/12]

FOREIGN OFFICE, *September 25, 1937*

Dear Ogilvie-Forbes,

Hoare at Bucharest has sent you a copy of his telegram No. 69[1] in which he reports that King Carol recently expressed the view that while the pressure which H.M. Government had brought to bear on the Czechs on the *Sudetendeutsch* question had been salutary, 'the time was now ripe for H.M. Government to take similar action at Berlin'.[2]

The question of offering advice on this subject was examined here last February, and in a letter (R 968/26/67) of February 18th[3] Sargent asked Phipps his opinion on the point. Phipps replied on February 24th in a letter (58/47/37)[4] of which the last sentence was 'Nothing should induce us to butt in with advice and assistance in this case, or in any similar case, without the strongest possible motives and without much better prospects of success.'

Since those letters were exchanged the essentials of the situation do not appear to have altered. It is true we have heard nothing lately of the underground negotiations which were then taking place between German and Czechoslovak statesmen, but the leading characteristic of German-Czech relations remains their uneasiness, and only some six weeks ago there was a recrudescence of the mutual press campaign due to the treatment of German citizens in Czech prisons.

Our own view is, therefore, that we should not offer advice of any kind in Berlin. We could hardly urge them to cease to take an interest in and care for the *Sudetendeutsch*, for they do care and will continue to do so; even if this solicitude is not wholly sincere, an interest in German minorities outside the borders of the Reich is a leading tenet of their political faith. All we could do perhaps is to tell them that we are offering sound advice in Prague, but that they know already.

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[1] Of September 16, not printed (R 6240/188/12). Sir R. Hoare had been H.M. Minister at Bucharest since February, 1935.

[2] In a minute of September 22 on Sir R. Hoare's telegram Mr. Nichols reviewed His Majesty's Government's attitude towards the question of Czech-German relations (see Volume XVIII, Nos. 141, 162, 212, 279) and suggested that it might be worth while consulting the Berlin Embassy as to whether they still felt that the German Government would regard any British advice on the Czech question as 'meddlesome interference on our part'. Mr. Strang agreed, and although Sir A. Cadogan confessed on September 22 that he could not see 'what we can say to Berlin' Mr. Eden wrote on September 23 that he had 'no objection to Berlin Embassy being consulted', while agreeing with Sir A. Cadogan that he could see 'no reason to modify view cogently expressed by Sir E. Phipps' (in his letter of February 24, 1937: see para. 2 below).

[3] See Volume XVIII, No. 162, note 3.

[4] *Ibid.*, No. 212.

Do you therefore concur in the view that we had better say nothing in Berlin?[5]

Yours ever,
PHILIP NICHOLS

[5] In a letter to Mr. Nichols of September 30 Sir G. Ogilvie-Forbes agreed that nothing should be said in Berlin, noting that 'the Germans are if anything less disposed than ever to take advice from us on this subject'. Copies of the correspondence between Mr. Nichols and Sir G. Ogilvie-Forbes were sent to Sir R. Hoare at Bucharest and Mr. Newton at Prague.

No. 199

Mr. Edmond (Geneva) to Mr. Eden (Received September 27, 8.10 p.m.)

No. 78 Telegraphic [*W 18093/7/41*]

GENEVA, *September 27, 1937, 6.10 p.m.*

Following from Mr. Elliot.

In Sixth Committee this morning Spanish representative, M. del Vayo, made a speech repeating five demands made by Señor Negrin to the Assembly and attacking in very strong terms the action of German and Italian Governments and whole policy of non-intervention.[1] Attitude of French Government and His Majesty's Government was the subject of indirect but obvious criticism and speech concluded with a direct question to our two Governments asking whether, in view of constant violations of non-intervention agreement, that agreement should continue to be international law applicable to situation in Spain.[2]

No other speaker was willing to intervene in debate at that stage and M.

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[1] As the result of a request by the Spanish Government of August 21, the Spanish question was placed on the agenda of the ninety-eighth session of the League of Nations Council, starting on September 10. At the third meeting of this session on September 16, Señor Negrin, the head of the Spanish Republican Government and current President of the Council, was replaced in the chair by M. Quevedo (Ecuador) so that Señor Negrin could address the Council on the subject of Spain. He protested against his government's exclusion from the Nyon conference, and demanded that Italy should be named as the 'anonymous State whose warships have tried, by means of constant acts of aggression, to create a state of terror in the Mediterranean'. (*L/N.O.J.*, July–December 1937, pp. 914–9.) At the fifth plenary meeting of the Assembly on September 18 Señor Negrin asked the Assembly to refer its report on the situation in Spain to the Sixth Committee (Political Questions) and to consider the following requests. '(1) That the aggression of Germany and Italy in Spain should be recognized as such. (2) That, in consequence of this recognition, the League examine as rapidly as possible the means by which that aggression may be brought to an end. (3) That full rights once more be given to the Spanish Government freely to acquire all the war material it may consider necessary. (4) That the Non-Spanish combatants be withdrawn from Spanish territory. (5) That the measures to be adopted for security in the Mediterranean be extended to Spain, and that Spain be granted her legitimate share in them.' The Spanish question was discussed at the sixth plenary meeting on September 20 (when Mr. Eden spoke), and at the seventh meeting later that day, when it was agreed to refer Señor Negrin's proposals to the Sixth Committee (*L/N.O.J., Special Supplement No. 169*).

[2] Señor del Vayo's speech is printed in *L/N.O.J., Special Supplement No. 175*, pp. 53–8.

Delbos who is greatly embarrassed by internal political considerations and presence here of M. Blum, begged me to postpone a reply till tomorrow on the grounds that M. del Vayo had gone further than he had led M. Delbos to believe, that policy of His Majesty's Government and French Government had been directly called in question and that it was important to give time for common line of reply to be discussed. I acceded to French request and am meeting M. Delbos this evening. I considered it undesirable to take lead in replying to M. del Vayo.

Meanwhile French delegation has submitted to us a draft resolution couched in very moderate terms. As regards policy of non-intervention, resolution recalls undertakings entered into, regrets they have been seriously infringed, and appeals to participating Governments scrupulously to observe their undertakings in future. As regards withdrawal of volunteers resolution recalls Council's recommendation of May 29th in favour of speedy withdrawal, regrets that effect has not been given to its appeal to Governments who have an equal interest in the maintenance of (? European) peace to undertake a renewed and sincere effort to bring about withdrawal. Resolution ends with observation that if this result is not achieved whole policy of non-intervention will be called in question.

No. 200

Sir E. Phipps (Paris) to Mr. Eden (Received September 28, 8.30 p.m.)
No. 179 Telegraphic: by telephone [*W 18099/7/41*]

Immediate Confidential PARIS, *September 28, 1937*

I had a long talk with M. Léger this afternoon. I found him as preoccupied as ever about the situation in Spain. He said French Government were convinced that Signor Mussolini meant to support Franco until the latter's final victory. The assurances given M. Delbos by Signor Bova Scop[p]a at Geneva[1] in reality implied this; for they merely amounted to a declaration that Italian support of Franco was not directed against France. In fact these assurances seemed to show that Italian reinforcements might well be sent to Spain. In this connexion M. Léger has reason to believe that preparations are actually being made in Italy and transports held in readiness for sending out more men. He therefore feels very strongly that proposed Anglo-French *démarche* in Rome is more than ever necessary, as only by showing a united front can Italian pretensions be checked.

I suggested that Italian hold on Balearic Islands had recently been slackened, but M. Léger would not admit this, and declared that on the contrary the French found it more and more difficult to carry on even purely commercial business there as a result of renewed Italian inspired action by Nationalist authorities.

In general I found M. Léger more violently anti-Italian than ever. I told him of temporary breakdown of naval talks here this morning, about which he had not been informed.[2] He thinks Italian demand to take over about 100 miles of east to west patrol line entirely inadmissible and will not admit that any confidence could be felt in Italian good faith in safe-guarding Russian vessels in that zone from attack. He would not admit my suggestion that Italians would hardly be able to allow attacks in their zone when vessels in French and British zones were immune therefrom. The utmost I could extract from him was the possibility of allowing a certain mixed Anglo-French-Italian zone. The Italians he declared were brigands and pirates and all possible precautions should be taken against them.[3]

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[1] Cf. No. 188.

Repeated to Geneva (Saving) and Rome.

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[2] Tripartite naval staff conversations, designed to bring Italy into the Nyon Agreement, began in Paris on September 27: see No. 196. Difficulties arose on the 28th through Signor Mussolini's insistence that Italy be given part of the east-west Mediterranean route to patrol on par with Britain and France: see Gretton, *op. cit.*, p. 111. Russian demands were also causing difficulties: see No. 203 below.

[3] Sir R. Vansittart addressed a 'strictly private' letter to Sir E. Phipps (preserved in the Phipps Papers) on September 29, with instructions to 'burn this letter after reading it'. He anticipated 'a good deal of difficulty anyhow in regard to full co-operation with the French respecting the probable sequel to our communication to Italy about volunteers in Spain. I am afraid that the passages in your telegram No. 179 referring to Leger's anti-Italian feelings may have added to our difficulties. I would suggest to you that information of this kind, which is of course interesting and valuable, would be better contained in a despatch or else in a letter to Anthony or to me. I am sending you this suggestion because both Anthony and I felt today on reading this telegram that these passages are likely to be fastened upon to the exclusion of other matter by some of the critics. Yours ever, Van.'

No. 201

Mr. Edmond (Geneva) to Mr. Eden (Received September 29, 9.30 a.m.)

No. 80 Telegraphic [*W 18163/7/41*]

GENEVA, *September 28, 1937, 11 p.m.*

Following from Mr. Elliot.

My telegram No. 78.[1]

Discussion on Spain was continued in Sixth Committee today.[2] French delegate opened with a speech supporting continuance of policy of non-intervention pending further efforts to obtain withdrawal of volunteers and representations which His Majesty's Government and French Government were shortly to make in Rome. I followed with a speech in similar terms.

In ensuing debate Norwegian, Polish, Austrian and Hungarian delegates generally supported Anglo-French thesis.

Spanish delegate made another impassioned attack on non-intervention policy and was supported by Mexican delegate. Soviet delegate said that aims of his government were the same as those of French and United Kingdom

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[1] No. 199.

[2] *L/N.O.J.*, *Special Supplement No. 175*, pp. 58–66.

Governments but that they differed as to methods of achieving those aims. Policy of non-intervention had failed and it was necessary to try another policy.

At the close of discussion a drafting committee was appointed. Monsieur Delbos who had taken the lead in general debate expressed great reluctance to put forward resolution on which we had agreed last night and I accordingly put it to drafting committee myself. Monsieur [*sic*] del Vayo refused to accept this resolution as a basis for discussion and pressed committee to embark upon a discussion of the five demands made by Signor [*sic*] Negrin to the Assembly. Monsieur del Vayo was supported by Mexican and Soviet delegates. My resolution was accepted as a basis of a solution by Norwegian, Polish and French delegates. After lengthy discussion no agreement could be reached and it was finally settled that Monsieur del Vayo would submit an alternative draft to committee tomorrow morning based on Signor [*sic*] Negrin's five demands but going as far as possible to meet Anglo-French thesis. Prospect of agreed resolution remote.

No. 202

Letter from Mr. Chamberlain to Mr. Roosevelt

[*A 7050/228/45*]

10, DOWNING ST., S.W.1, *September 28, 1937*

My dear Mr. President,

Your personal letter to me of the 28th July[1] reached me in the latter half of August while I was on holiday in Scotland. I was very glad to receive it and to note that we were in agreement as to the necessity of careful timing and preparation before I could usefully make the visit to the United States which you were good enough to suggest. Since however you asked for further suggestions as to additional preparatory steps that might be taken as between ourselves with a view to expediting the time when my visit might appropriately be made I thought it best to defer my reply until I had returned to London and could gather up the latest developments in the situation here.

As you will no doubt appreciate that situation changes so often and so rapidly that any account of it is liable to be out of date in a very brief space of time. At the present moment so far as Europe is concerned I think I may say that it is less menacing than it has appeared for some months past, but we still seem to be a long way from the resumption of cordial relations between the totalitarian States and the democracies. At the same time various circumstances have combined to ease the tension and to encourage the friends of peace.

On the other hand the Far Eastern situation has justified our worst fears and I see little prospect at the present time of being able to improve it by action on the part of the Western Powers. At any moment some incident may arise with repercussions which cannot even be guessed at.

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[1] No. 70.

In these circumstances I am afraid that I cannot suggest any way in which the meeting between us could be expedited, though I greatly regret this both on personal and official grounds. Perhaps the community of sentiment between our two countries as to the events in the Far East and the developments in the European situation may be doing something to create a favourable atmosphere and the conclusion of an Anglo-American commercial agreement when we have found ways of overcoming its obvious difficulties will undoubtedly be an important step in the right direction.

In my view then we must wait a little longer, but I hope I need not assure you that I shall watch the course of events most carefully, as I am sure you will too, for any opportunity of furthering the purpose we both have in view.

Believe me, my dear Mr. President, with renewed thanks for your letter,

Yours sincerely,
N. CHAMBERLAIN

No. 203

Sir E. Phipps (Paris) to Mr. Eden (Received September 29, 5.50 p.m.)

No. 184 Telegraphic: by telephone [*W 18164/23/41*]

PARIS, *September 29, 1937*

A new factor has been introduced into the naval conversations[1] since agreement was reached this morning in the form of a message from Monsieur Delbos to the effect that the Russians now insist on a route from the Black Sea to Port Said free of Italian control. An extension of the British zone off the Egyptian coast to the south east corner of Crete would achieve this, and this solution has been pressed on the Italians by both the French and ourselves. The Italians are at the moment adamant and it transpires that they have already made concessions in the Western Mediterranean beyond the limits set by Rome which they were only induced to do by the extension of their zone in the Eastern Mediterranean. The British and French delegates will do their best to shake the Italians at the 6 o'clock meeting this evening, but if they are still adamant, naval delegates intend to sign the scheme agreed upon this morning as being a satisfactory solution from the naval aspect.

From the attitude taken up by the Italian admiral in conversation with Admiral James this afternoon, it is clear that they are exasperated at this latest Russian manoeuvre and clearly dare not propose any further modification to their Government.

Repeated to Geneva by telephone as telegram No. 12.

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[1] See Nos. 196, and 200, note 2.

No. 204

Sir E. Phipps (Paris) to Mr. Eden (Received September 29, 6.35 p.m.)

No. 185 Telegraphic: by telephone [*W 18165/23/41*]

Most Immediate Confidential PARIS, *September 29, 1937*

My immediately preceding telegram.[1]

I asked Monsieur Chautemps this afternoon whether he was quite satisfied with arrangement reached this morning and he replied in the affirmative.

Monsieur Chautemps himself deplored fresh Russian attempt to wreck the agreement and agrees to authorise French delegates to initial this afternoon the agreement reached this morning, as intended. He stipulates however that Anglo-French efforts must be made at this afternoon's meeting to shake Italian objections to plan outlined in my telegram under reference and that Monsieur Delbos, whom he is consulting now by telephone, agrees to initialling in case Italians remain adamant, as seems likely.

I told Monsieur Chautemps that this seemed to me far the best procedure.[2]

Repeated to Geneva.

[1] No. 203.

[2] The agreement was in fact signed on September 30: see No. 214 below.

No. 205

Mr. Edmond (Geneva) to Mr. Eden (Received September 30, 9.30 a.m.)

No. 82 L.N. Telegraphic [*C 6767/3/18*]

GENEVA, *September 29, 1937, 7.40 p.m.*

Following from United Kingdom delegate.

At dinner on Monday night[1] after our conversation on Spain Monsieur Blum, who has recently been attending Monsieur Masaryk's funeral in Prague,[2] told Monsieur Delbos and me that he had a message to communicate to us from Monsieur Beneš[3] and Monsieur Hodža.[4]

Monsieur Beneš had shown him a copy of a secret report received from Czech Military Attaché at Berne who had been in close touch with Swiss General Staff. The latter had, it seems, reliable information to the effect that Germany was meditating some action against Austria in the course of which German forces would be moved across Austrian frontier. Monsieur Blum had said to Monsieur Beneš that he doubted very much whether Germany would go so far as to invade Austria. Monsieur Beneš replied that action would be taken as a result of an internal upheaval and said that it had become apparent recently that Austrian officials in frontier districts were not so strict in dealing with Austrian National Socialists as they had previously been. It almost seemed as if they expected some rapid change in the situation whereby these National Socialists would come out on top.

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[1] i.e. September 27.

[2] Dr. Thomas Masaryk, founder and first President of the Republic of Czechoslovakia, died on September 14, 1937.

[3] Czechoslovak Minister for Foreign Affairs.

[4] Prime Minister of Czechoslovakia.

Monsieur Blum had then seen Hodža who also referred to report from Berne and said that he had not yet talked it over with Monsieur Beneš. He said he had other information which corroborated that received from Swiss General Staff and amplified it in certain particulars. Some of this information came from Belgium. From these different sources he had reason to believe that precise details of action had been planned. Author of plan was supposed to be Herr Himmler. Movements under consideration also included action against Czechoslovakia. Plan was briefly to foment an internal upheaval either in Sudeten district of Czechoslovakia or in Salzburg district of Austria. S.S. or S.A. troops would then cross the frontier and would organize and supervise fresh elections in the districts in question.

Hodža pointed out that this information corroborated reports received some months ago of possible German action in Central Europe.

Both Monsieur Beneš and Monsieur Hodža had expressed the opinion that Germany was in fact contemplating some move against Czechoslovakia, and that soon. They had both asked that Monsieur Blum on his arrival at Geneva should inform representatives of France and the United Kingdom of their fears and ask them to consider the possibility of taking some action in Berlin.[5]

Repeated to Berlin, Prague, Vienna and Berne.

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[5] In a minute of October 2 Mr. Strang remarked that against M. Blum's fears might be set the statement of General Goering to Sir N. Henderson on July 20 that there would be no more surprises for several years (see No. 52). The Foreign Office appears to have doubted whether any German move was imminent. Sir G. Warner, H.M. Minister at Berne, was instructed on October 4 to make enquiries: see Nos. 229 and 231 below.

No. 206

Mr. Edmond (Geneva) to Mr. Eden (Received September 30, 9.30 a.m.)

No. 85 L.N. Telegraphic [*W 18247/7/41*]

GENEVA, *September 29, 1937, 11 p.m.*

Following from Elliot.

My telegram No. 80.[1]

At meeting of draughting [*sic*] committee this afternoon Spanish Delegate submitted draft resolution which the committee agreed to discuss as an amendment to my resolution of yesterday. Proposals which show considerable advance on the attitude adopted by Spanish delegate yesterday were generally accepted with two important exceptions. M. del Vayo demanded:

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[1] No. 201.

(1) an admission that the presence of foreign troops in Spain constituted an aggression by Italy and Germany; and

(2) a declaration that pending further diplomatic conversations, rules of international law should be applied to Spanish conflict in conformity with preamble to the covenant, thereby restoring to Spanish Government the right to purchase arms.

In a long discussion on these points the Spanish delegate weakened but did not give way. I declined to go beyond terms of resolution previously agreed with the French and I received warm support from M. Blum (who was intermittently present) and the Polish delegate. M. Delbos however who appears to have had a busy day said that Soviet and Yugoslav delegates appeared anxious to make some further concession to meet the Spanish point of view.

Various draughting [*sic*] proposals were made and the committee adjourned until tomorrow morning in order that they might be properly examined.

It is possible that an acceptable resolution will be found on which the Spanish delegate will abstain from voting.

No. 207

Extract from Cabinet Conclusions No. 35(37) of September 29, 1937

[*W 18659/23/41*]

2. The Secretary of State for Foreign Affairs, as an introduction to questions he wished to raise relating to Spain, gave the Cabinet some account of events since the last Meeting.

He recalled at the last Meeting of the Cabinet he had still hoped for Italian co-operation in the Nyon Conference. Eventually, however, they had been unable to attend.[1] At the Conference we had attained our objective, which was that the Conference should not have an anti-Fascist tendency, but the technical object of dealing with piracy in the Mediterranean. In this we had received full support from the French. M. Delbos had proved a good Chairman. Our Delegation was able to co-operate effectively and to keep the Conference within proper limits.

He paid a strong tribute to the admirable co-operation of the Naval Staff, and especially to the assistance of the First Sea Lord. Before the Conference met, the technical plans had been agreed with the French Naval Staff, and were ready for presentation.[2] The First Sea Lord had been surprised at the extent of the effort which the French were able to offer, especially when the meagre co-operation offered by M. Laval on a previous occasion was taken into consideration.[3] If air co-operation was taken into account the British and

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[1] See Nos. 147 and 148. [2] See No. 169.

[3] Cf. Volume XV, No. 27 and Appendix II.

French effort was about equal. The first hitch had arisen in respect of the Aegean Sea. The first plan had been that the northern half of the Aegean should be policed by the Russians and Turks, and the southern half by the Greeks and Yugo-Slavs. This, however, had proved an unpopular proposal, and as the result of informal discussion it had been discovered that the real difficulty was that the presence of the Russians was not generally welcomed. At an informal meeting there had been an altercation with the Russians and for an hour no progress had been made. Then it had been suggested that the British and French Navies should take over responsibility for the Aegean, with power to invite Russia and the smaller Powers to assist. Rather unexpectedly this had been accepted, even by the Russians. In practice this would keep the Russians out of the Aegean, since they would not be called upon to help. It also had the effect of keeping the door open for Italy. He and his colleagues had felt it very desirable to bring Italy into the arrangement. They had not thought it sufficient merely to give an invitation, but desired also to offer her an area. The difficulty was that if the area had been in some central position in the Mediterranean it would have left a gap pending Italy's acceptance. They had therefore hit on the idea of offering the Tyrrhenian Sea, which was large in area and not vital to the working of the scheme. He had not expected Italy to accept this proposal at once, but had hoped it might provide a basis for a bargain. This was what had happened, and the Naval Experts in Paris were discussing the matter at that moment.[4] He gathered that some difficulties had been encountered on the previous day. Italy had asked for charge of one of the entrances to the Mediterranean. As we held Gibraltar they had asked for the Suez Canal, with a base at Alexandria. This was not welcome to us, but efforts were being made to find a way out. The First Sea Lord had the idea that the United Kingdom, France and Italy might all operate from Port Said, Alexandria remaining in our area.[5]

The Prime Minister, on behalf of the Cabinet, congratulated the Foreign Secretary on the success of the Nyon Conference.[6]

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[4] See Nos. 196, 200, note 2, 203, and 204.

[5] See No. 214 below, paras II, III, and VII.

[6] *Note in original*: At the outset of the Meeting the same afternoon the Secretary of State for Foreign Affairs informed his colleagues that agreement had been reached by the Naval Advisers at Paris, subject to the approval of their respective Governments. This announcement was received with great satisfaction.

No. 208

Extract from Cabinet Conclusions No. 35(37) of September 29, 1937

[*W 18656/7/41*]

3. The Secretary of State for Foreign Affairs said that until recently the Foreign Office had cherished the hope that the victory of one side or the other would be purely Spanish. That view was no longer held. With the duration of

the civil war General Franco's dependence upon Italy had increased. It was felt that after the civil war ended Franco would be unable to control the situation without Italian assistance. Consequently the Italians were likely to stay for a year, or even longer. He did not believe that Signor Mussolini's motives were purely ideological, or for prestige. He agreed with what he understood to be the view of the French General Staff, that the Italians sought submarine bases in Spain to be used for bargaining purposes or pressure on other nations in case of war. British interests would therefore best be served by a stalemate leading to a compromise solution, and it would be against British interests that Franco should win in Spain so long as he was dependent on foreign aid. Above all, it was against our interests that he should win during the present year. Prolongation of the war for another six months would increase the strain on Italy, and if and when Franco should win, Italy would be less able to exploit his success and there would be slightly better prospects of Franco ridding himself of the Italians. On the other hand, an early victory would create a third Dictator State, this time in Spain, and this development, making for France a third frontier to be defended, would increase the likelihood of some early adventure elsewhere by the Dictator States.

The Secretary of State for Foreign Affairs then turned to Mr. Lloyd Thomas's despatch from Paris of September 23rd, which he had asked his colleagues to bring to the Meeting.[1] This explained the point of view of the French Government, which was very generally held at Geneva. It brought out, what M. Chautemps had now emphasised,[2] that the Spanish question had ceased to be one of politics of the Left or of the Right in France, but had become one on which the General Staff view predominated. On the night that he himself left Geneva, M. Delbos had given him a memorandum suggesting very strong representations to be made to the Italian Government by the British and French Governments.[3] When he met M. Chautemps he had expected him not fully to support this, but in spite of the fact that M. Chautemps was further to the Right in French politics than M. Delbos, he had supported it. He himself had not liked certain parts of the memorandum and had found that the Prime Minister took the same view. As the result of his conversations with the Prime Minister he had suggested to the French that we should approach the Italian Government alone on the basis of our proposed conversations.[4] Before an answer had arrived, the Italians had themselves made a move, and their representative at Geneva had given assurances to the French Foreign Secretary as to their position in respect of Spain.[5] At the same time they had given similar assurances to our Chargé d'Affaires in Rome. M. Delbos had replied by suggesting tripartite conversations between the Governments of the United Kingdom, France and Italy on the subject of the non-intervention policy.[6] He himself felt that it was the best plan.

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[1] The reference is apparently to Mr. Lloyd Thomas's despatch No. 1135 (W 17863/7/41) which summarized the recent French proposals for dealing with the question of Italian violation of the Non-Intervention Agreement and offered a general analysis of French opinion, on the lines of Mr. Eden's comments in the next two sentences. The despatch included the following passage in paragraph 7. 'The apparent *détente* with Italy, now that she is preparing to adhere to the Nyon Agreement, has, for instance, been welcomed with relief and satisfaction by Right, Centre and Left with practically no opposition. The French Government are eager to repeat this success and to obtain a *détente* with Italy over Spain; but they feel certain that the way to effect this is by plain speaking; that at this juncture to be firm is to be prudent and to be weak is to be dangerous. Finally, no success for their diplomacy could be so great as the detachment of Italy from Germany and her attraction to the London-Paris axis. But they think this can only be accomplished if Paris and London act, and act together. . .'

[2] See No. 189.

[3] See *ibid.*, note 2.

[4] See No. 190.

The Prime Minister at this point reminded the Foreign Secretary that at the time of M. Delbos' proposal both the British and French Governments had received information to the effect that the Italians were contemplating the despatch of large reinforcements to Spain. He himself had taken a very serious view of that development and had been anxious to stop it. The proposed conversations had been designed to obtain an answer on this point. The Italian representative at Geneva had, however, anticipated this by stating that they were not proposing to send reinforcements. This had been confirmed to Mr. Ingram in Rome by Count Ciano.[7]

The Secretary of State for Foreign Affairs agreed that this was an important point. It must now be realised that unless the non-intervention policy could be made to work better than in the past, it would be impossible for any French Government to keep the Spanish frontier closed. It was highly undesirable, however, that it should be opened if this could be avoided because then French nationals would cross it, the Italians would reinforce, and soon the French and Italians would be fighting one another. On the other hand, if the non-intervention policy could be made to work, the French would keep the frontier shut.

He then gave the Cabinet the heads of the proposed Anglo-French Note to Italy, which were to the following effect:

> The Note would not convey any menace or intention of an ultimatum. It would not disguise, however, the realities of the international dilemma. It would begin by welcoming Italian collaboration in the agreements reached at Nyon, as well as the assurances that no more Italians would be sent to Spain. It would convey the earnest desire of the two Governments that the civil strife in Spain should cease to be a cause of international unrest, and that conditions in Spain might develop in such a way as to promote progress elsewhere towards a general appeasement.
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> The Note would then say that the Governments were convinced that this position could not be reached until further effort had been made to make non-intervention more effective. So long as the volunteers remained, the risk of disturbance would tend to increase. Moreover, strongly as the two Governments desired to continue non-intervention they could not conceal from themselves the difficulty of preserving present conditions unless steps were taken to render this policy more effective. Consequently they proposed that tripartite conversations should take place. If agreement were reached as to the volunteers it would facilitate the grant of belligerent rights.

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[5] See No. 188.

[6] See No. 192.

[7] See No. 187.

In addition, he contemplated that His Majesty's Ambassador in Rome should speak to the Italian Foreign Minister and explain that His Majesty's Government were anxious to make progress with the proposed (? Anglo-Italian)[8] conversations, but could not conceal that the shadow of the Spanish affair rendered this difficult. The Ambassador should appeal to Count Ciano to do his best to agree to the proposed (? tripartite)[8] conversations.

Discussing the prospects of the proposed policy, the Secretary of State said that a good deal depended upon what was happening between Herr Hitler and Signor Mussolini in Germany. If anything had been concluded in the nature of an agreement under which Germany should have a free hand in Austria in return for supporting Italy in the Mediterranean, it was doubtful if the conversations would serve any useful purpose. He doubted, however, whether the Berlin conversations had changed the situation much beyond making a parade of the Berlin-Rome axis.[9] If this proved correct there was a good chance for the conversations.

From the Italian point of view the policy he suggested offered the advantages that it would be a real Conference of Mediterranean Powers alone, which they (? the Italian Government)[8] had always desired, and that if agreement could be reached on the withdrawal of the volunteers the question of belligerent rights could also be dealt with. The proposal therefore offered something to save the face of the Italian Government. He thought this proposal offered the best prospect of avoiding the danger that the French frontier would be thrown open.

In the course of the discussion which followed, the suggestion was made that it would be better to pursue the individual conversations with Italy before bringing in the French. In support of this suggestion it was pointed out that the Italian Government wished the conversations to cover a good deal of ground. The proposed tripartite conversations would cover one point only, but it was a very important point in Italy's case as a whole. The Italians were likely to be more forthcoming if they could deal with the situation as a whole. Moreover, the Italian Government was likely to be more forthcoming in conversations with our Government than if France was also represented. The fact that the invitation came from the two Powers who had already agreed on their line would give the Italian Government the impression of being in a minority. They might even ask that Germany should also be invited to attend. It was true that this was the kind of Conference that we had contemplated for a long time, but in the present case Germany and Italy would be on one side of the table and we and France on the other. That would not create an easy position. It was suggested that the closeness of relations between the United Kingdom and France had perhaps strengthened the Berlin-Rome axis.

The Secretary of State for Foreign Affairs did not think that the latter was the case. The effect of our firmness at Nyon had not strengthened the Berlin-Rome axis. He thought that the Italians had not wanted to go to Berlin with the Mediterranean situation unsettled, and that had contributed to their co-operating in the Paris conversations. The Note would be carefully drawn so as to avoid the impression that the Italians were invited to come, as it were, into the dock to be judged. The present situation was a very difficult one for the French Government to hold. If he had asked them to leave the matter to be handled by His Majesty's Government the pressure of French public opinion on the Government to open the frontier might have been so great that they could not have refused. In reply to a question, he said that if the tripartite talks failed, the opening of the French frontier was, he considered, inevitable. In that event also it would be difficult to make progress with Anglo-Italian conversations, though it had to be remembered that the Italians desired these. He agreed with some of his colleagues that it would be difficult to induce the Italians to bring troops away from General Franco unless the Russians did the same. A scheme, however, had been worked out by the Non-Intervention Committee, and this might form a basis for discussion.

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[8] Query inserted in ink on the filed copy.

[9] Cf. Nos. 215 and 225 below.

The Prime Minister said that he had throughout been in touch with the Foreign Secretary on this question. His aim had been, if possible, to avoid joint action with the French, for some of the reasons that had been given by his colleagues. He had felt it was dangerous, because the Italian attitude towards the Nyon Conference had been that it was a plot to leave the Italians out of control of the Mediterranean. He would therefore have preferred for us to conduct the negotiations alone, and he thought that the Foreign Secretary agreed with this. At the same time it was necessary, in the present European situation to walk warily so far as our friends were concerned. The situation in France was parlous and precarious, and we could not afford to put too much strain on the French Government. It was clear that unless France had some part in the negotiations with Italy over Spain the French Government could not hold the situation. Somewhat reluctantly, therefore, he had felt that it was necessary to assist them in this respect. Much would depend on the presentation of the Note. He thought it was possible to put it in such a form as to extend the talks that had been going on, on a basis of perfect equality. He thought it important, also, simultaneously to start the conversations between the Earl of Perth and Count Ciano, who appeared to be on very good terms. Lord Perth might begin by making clear that the object of the tripartite conversations was to pave the way for the Anglo-Italian conversations. Italy was anxious that we should recognise Abyssinia. We had told them that we could not do this without carrying the League of Nations with us. Our line, therefore, must be to create a favourable atmosphere for recognition at Geneva. He himself had hoped that this might be done at the recent meeting, but, as the Italians had been told, this hope had been destroyed by the action of submarines in the Mediterranean and by Signor Mussolini's message to General Franco. In a friendly way it could be made clear that the objects of the tripartite meetings were as he had stated.

If the policy succeeded there might be some unfriendliness and suspicion that we were trying to break the Berlin-Rome axis, and it might be necessary to deny this. He thought a favourable reply was not unlikely, but he agreed with the Foreign Secretary that this depended upon what was happening in Berlin. If the result of the Berlin conversations was a deal between the German and Italian Governments in which Germany had a free hand in Austria in return for support to Italy's policy in the Mediterranean, there would be not much hope. Otherwise he saw a possibility of friendly conversations, and this was so important to peace that it was worth running some risks.

A suggestion was made that in order to avoid the objections that had been raised to a joint Anglo-French Note, it might be possible to arrange for France to issue the invitation.

The Secretary of State for Foreign Affairs said that he had always realised the objections to a joint Anglo-French Note. He had, however, had to handle a situation which was somewhat acute from the French point of view. At Geneva the French had received what they believed to be reliable information as to Italian reinforcements. In order to avert the risk that they might open the Spanish frontier he had felt bound to agree to a joint approach, and he saw great difficulty in getting out of it now. Nor did he himself share all the views expressed as to the effect of Anglo-French joint action on Italy.

Various suggestions were offered which might surmount the difficulty. For example, we might say frankly to the French that we believed success was more likely to be achieved if the invitation came from us. A second suggestion was that if the Paris Naval Conversations succeeded we might base the proposal to Italy on the ground that this success ought to be followed up.

A question was raised as to how Italy was to be induced to withdraw the volunteers, the numbers of which were very large. Was there any inducement except the threat of the French that otherwise they would open the Spanish frontier? This, it was suggested, was not a mere matter of minor adjustments, but a very large and difficult point for Italy.

The Prime Minister pointed out that the main inducement was the according of belligerent rights.

The Lord President of the Council suggested that our first effort should be to try and induce Signor Mussolini to withdraw the Italian volunteers. It was unlikely that he could agree to this. We should then try and induce him not to send any more volunteers and to tighten up the assurances he had already given as to his ultimate aims. In short, we should try and get all we could on the second point, with a view to reassuring France.

The Prime Minister said that we could not expect to get the withdrawal of all the volunteers at the first effort. Neither the Italians nor the Russians were likely to agree to that. But we might be able to achieve the withdrawal of part of the forces, or to induce the Italians to come out of Majorca. The idea he had in view was to get a start. The Cabinet could feel assured that he and the Foreign Secretary would not let any opportunity slip for improving relations with Italy. He thought they realised, however, that it was impossible to separate the questions involved from Signor Mussolini's attitude towards Spain and the Mediterranean. He thought that the Foreign Secretary fully realised and shared the feelings of his colleagues in the Cabinet and that the latter could endorse the Foreign Secretary's policy.

The Cabinet agreed

To endorse the proposals of the Foreign Secretary, as set forth above, for an Anglo-French approach to the Italian Government with a view to tripartite conversations on the non-intervention policy in Spain, and simultaneous conversations between His Majesty's Ambassador in Rome and the Italian Foreign Secretary, in which the former would explain the relation of the proposed tripartite discussions to the Anglo-Italian conversations.

No. 209

Report[1] *by the Chiefs of Staff Sub-Committee of the C.I.D. on Anglo-Italian relations*

[*R 6435/1/22*]

2, WHITEHALL GARDENS, S.W.1, *September 29, 1937*

On the 12th August, 1937, we furnished a Report on Anglo-Italian Relations (Paper No. C.O.S. 608[2]) in accordance with a request by the Foreign Office. We now submit a further Report prepared as a result of a request from the Foreign Office contained in their letter[3] dated the 15th September, 1937, in which we were asked to give further consideration to certain of the points raised in our previous Report.

2. The first question raised in the Foreign Office letter was in connection with Paragraph 25(*d*) of our previous Report (Paper No. C.O.S. 608) in which we stated: 'We consider that we should avoid being drawn into any attempt on the part of Italy to induce His Majesty's Government to agree with her, in advance of a general International Convention, to any form of Naval, Military or Air limitation in the Mediterranean.' In the Foreign Office letter a suggestion was made that such a limitation agreement might not perhaps be wholly to the disadvantage of His Majesty's Government and it was assumed that such an agreement would be based on the maintenance of parity of forces with an escalator clause allowing for reinforcements in case of emergency, due notice to be given on either side and that we could claim Naval superiority to offset our Air inferiority. In this connection we would again stress the view given in Paragraph 21 of our previous Report that 'The strength of the Naval forces that we maintain in those waters is determined partly by the fact that the Mediterranean is the strategic centre of our Empire, and bears no relation to the Naval forces maintained by Italy or any other Mediterranean Power, and partly owing to the Mediterranean being particularly suitable from the point of view of training for Naval forces.'

3. The wording of Paragraph 25(*d*) of our previous Report, quoted above may perhaps be somewhat misleading in that it might give the impression that regional limitation in the Mediterranean might be practicable subsequent to a general International Convention for Naval, Military or Air

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[1] Circulated as C.I.D. paper No. 1350B (C.O.S. 617).

[2] Also C.I.D. paper No. 1347B: see No. 91.

[3] Not printed.

limitation. We would point out, however, that any idea of Naval limitation in a particular area is contrary to the fundamental principles of the employment of Naval forces. The essence of Imperial Naval defence is the mobility of the Fleets which, whilst being maintained in central positions, can be despatched to whatever part of the world in which they are required. If His Majesty's Government were again to accept a general International Convention for Naval limitation, the need for the maintenance of unrestricted mobility of Naval forces would be accentuated. These arguments apply equally to Air Forces; and, in fact, the essential basis of Imperial Air Defence is the capacity for rapid reinforcement between overseas commands in an emergency. For these reasons we would adhere to the conclusion expressed in Paragraph 25(*d*) of our previous Report and would emphasise that regional limitation of armed forces, more particularly Naval and Air forces, would be contrary to fundamental principles and therefore, from the military point of view, unacceptable in any circumstances.

4. In the second place we have been asked to consider what, if any, particular desiderata in the field of defence requirements His Majesty's Government should, in our view, put forward in the proposed conversations. The Foreign Office hold strongly that the desiderata to be put forward on the British side should include

(*a*) A reduction of the Italian Garrison in Libya to the 1934, i.e., normal, level; and

(*b*) While securing from the Italian Government the reaffirmation of the previous pledges with regard to the general status quo in the Mediterranean, to obtain an assurance that all Italian volunteers will be withdrawn from Spain so soon as volunteers on the Government side are withdrawn, and meanwhile to secure in fact the actual withdrawal of Italians from the Balearic Islands.

5. We are of opinion that any request for the limitation of the Garrison of Libya would be likely to result in an Italian demand for the limitation of our own forces in certain areas, i.e., Malta, the Sudan, or perhaps Kenya, and as the strength of these garrisons is not conditioned by the strength of the Italian forces in Libya, we submit that such a demand could not, on strategical grounds, be accepted.

In any case we consider that it is probably too late now to attempt a reduction in the Garrison of Libya to the 1934 level. We understand that the new Libyan Army Corps with its Corps troops and three Divisions is now actually in being; considerable barrack construction has been undertaken, and Signor Mussolini has personally advertised the new Corps so widely that it would be difficult for him to draw back. Moreover, the Italian General Staff have officially taken the line that the new Corps in Libya is not located there for strategical purposes, but that Libya and Italy are now virtually one country and that for training and many other reasons it is desirable to maintain a Garrison of the Metropolitan Army in Libya. The dominating factor, however, appears to be the question of prestige, and we submit that it is extremely doubtful whether Italy would accept the blow to her prestige which must inevitably result from a decision to abandon the formation of this Corps in Libya.

6. On the whole we consider it unlikely that any agreement as to the limitation of the fighting Services in the Mediterranean area, whether in Libya or elsewhere, could be reached which would not be unfavourable to Great Britain; since Italy would, in any case, retain the power of reinforcing her garrison at short notice, while we should be at a disadvantage in this respect.

7. We have considered the suggestion contained in the Foreign Office letter that while securing from the Italian Government a reaffirmation of previous pledges with regard to the general status quo in the Mediterranean, His Majesty's Government should endeavour to obtain an assurance regarding the withdrawal of Italian volunteers from Spain, and to secure, in fact, the actual withdrawal of all Italians from the Balearic Islands.

In our opinion the object of the present conversations, from the Italian point of view, is to obtain a lasting agreement with Great Britain, which will harmonise their mutual communications through the Mediterranean and the mutual relations between their respective Colonies where frontiers are contiguous. In these circumstances, therefore, we suggest that Italy would certainly not regard Spain as entering into the sphere of the proposed conversations. She might be prepared to give an assurance that all Italian volunteers would be withdrawn from Spain as soon as volunteers on the Government side were withdrawn, but we consider that if she does so, she will only do it because she is quite certain that any mutual withdrawal of volunteers is impracticable. We suggest that Italy, however, would probably be willing to reaffirm the territorial integrity of Spain, and we consider that it might be safer to limit our request to such a reaffirmation.

8. As regards the demand for the actual withdrawal of volunteers from the Balearic Islands, we consider that Italy would probably express her inability to withdraw Italian individuals now serving in the Balearic Islands under General Franco's Command, and in fact, according to the latest evidence from Majorca, there would be some justification for her doing so, as General Franco's representatives and not the Italians are now in complete control there.

In our opinion no strong strategical reasons appear to exist at the moment for demanding the evacuation of the Balearic Islands by Italian personnel, though such a course might well be desirable for political reasons.

9. We consider that the whole question of Italian intervention in Spain is in any case highly controversial, and it can hardly be hoped that the introduction of this subject will contribute to the restoration of better relations with Italy which remains the principal object of the conversations.[4]

10. The Foreign Office have suggested that it is possible that the Italian Government may, in the course of the conversations, raise the question of the

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[4] A marginal comment by Sir O. Sargent here read: 'This is surely putting the cart before the horse. O.G.S.'

Suez Canal, and in this connection it is satisfactory to note that in the view of His Majesty's Ambassador in Rome, the Italian Government are unlikely to question the validity of the principle that His Majesty's Government consider the defence of the Canal in time of emergency a matter for themselves alone. No other principle could be accepted from the military point of view.

We are of opinion that an Italian request for further assurances regarding the use of the Suez Canal, and even for representation on the Board, would be in the main a political question. We suggest, however, that it would be desirable to resist any Italian participation in the control of the Suez Canal, as this might increase the danger of sabotage or endanger its defence in time of war. We are of opinion that it would be unwise to include in the proposed conversations any questions regarding the Suez Canal, and that if the proposed conversations are limited to an exchange of information, it is quite probable that any such request will not arise.

11. In conclusion, we are of opinion that the primary object of the conversations must be to obtain political appeasement of the relations between the two countries. Once the political situation has been rectified, the military desiderata would be simple, and we consider should consist of an exchange with the Italian Government of current information regarding naval, military and air arrangements in the Mediterranean and Red Sea areas coupled with full explanations as outlined in paragraphs 19 to 23 of our previous Report (Paper No. C.O.S. 608).

We would, therefore, submit that the conclusions and recommendations summarised in paragraph 25 of our previous Report correctly represent the particular desiderata in the field of defence requirements which His Majesty's Government should put forward in the proposed Anglo-Italian conversations.[5]

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[5] In a long minute Sir O. Sargent concluded that this 'report of the Chiefs of Staff is not only out of step with the policy of his Majesty's Government but out of date with the decisions taken in the last few days in conjunction with the French. O. G. Sargent. October 2nd, 1937'.

Sir R. Vansittart wrote: 'We agree of course about naval limitation. That is a bromide. The rest is a rather unfortunate exercise in our field.

I enjoy particularly the pleasantry about not raising the question of the three white motorised divisions in Libya, lest we be asked for limitation in the Sudan and Kenya. I would willingly accept parity at the Italian figure of 60,000, seeing that I have for long urged upon Sir S. Symes—without the slightest effect–that 4,500 was too little for the Sudan. And there must be very nearly, though not quite, a tenth of that force in Kenya! We have ample elbow-room here.

I have always regarded it as a *minimum* that we should get the Italians out of the Balearic Islands. The Chiefs of Staff dismiss the necessity. I stand corrected but unrepentant. It is the Chiefs of Staff who will one day be repentant if we don't.

As for the Italian evacuation of the Spanish mainland, we are apparently not to disturb a Roman harmony for so bare a prospect.

Would that all this line of least resistance were the right one. I hate to be earthy, but how are we to have an improvement of relations, proceeding from some change of heart, if we evade all the most difficult, and yet most dangerous, points.

Greatly as I value 9 out of 10 of the contributions of the Chiefs of Staff, I think this is the 10th case, and I am sorry that this paper has been put into the hands of Ministers; *for it will clearly increase our difficulties.*

SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

12. We summarise our Conclusions and Recommendations as follows:

(*a*) We reaffirm the following Conclusion set out in paragraph 25 of our previous Report (Paper No. C.O.S. 608):

> 'We consider that we should avoid being drawn into any attempt on the part of Italy to induce His Majesty's Government to agree with her, in advance of a general international convention, to any form of naval, military or air limitation in the Mediterranean (paragraph 24),'

and would emphasise that regional limitation of armed forces, more particularly naval or air forces, would be contrary to fundamental principles, and, therefore, from the military point of view, unacceptable in any circumstances.

(*b*) We consider that the conclusions and recommendations summarised in paragraph 25 of our previous Report (Paper No. C.O.S. 608) correctly represent the particular desiderata in the field of defence requirements which His Majesty's Government should put forward in the proposed Anglo-Italian conversations, and that it would be inadvisable to enter into discussion on questions regarding the Libyan Garrison, Italian intervention in Spain and the Balearic Islands, and Italian participation in the control of the Suez Canal.

CHATFIELD
C. J. DEVERELL
C. L. NEWALL

In all this the Chiefs of Staff appear to overlook—very curiously—a very vital fact. If we are ever engaged in a struggle for existence, it will almost certainly be on the same side as France. What weakens France therefore impairs our own chance of survival—and it is not an odds-on chance anyway. If therefore France's position is endangered by our failure to get the Italians out of the Balearic Islands or the Spanish mainland, we stand to lose. Personally I am convinced that we stand to lose on our own account; indeed that seems fairly obvious. But in any case, if the Chiefs of Staff are going to venture into our field—where they are perfectly welcome as colleagues—they should not overlook this very strong political argument. R.V. 4th October, 1937.'

No. 210

Mr. Eden to the Earl of Perth (Rome)

No. 309 Telegraphic: by telephone [*W 18200/7/41*]

FOREIGN OFFICE, *September 30, 1937, 2.15 p.m.*

I had a long conversation with Count Grandi yesterday afternoon on the subject of the Spanish situation and the proposed tripartite discussions. The chief points in this conversation are being telegraphed to you to-day[1] and a full account follows by despatch in to-day's air bag. I should wish you to see this telegram before speaking to Count Ciano should the latter ask to see you directly he returns from Berlin.[2]

The terms of the note to be addressed to the Italian Government by the French Government and ourselves inviting them to attend discussions on foreign intervention in Spain are now under detailed examination and I shall hope to send you instructions shortly. These instructions will be accompanied by further instructions dealing with the subject of the projected Anglo-Italian conversations.[3]

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[1] See No. 211 below.

[2] Count Ciano accompanied Signor Mussolini on his visit to Germany: see Nos. 215 and 225 below.

[3] Cf. No. 208.

No. 211

Mr. Eden to the Earl of Perth (Rome)

No. 310 Telegraphic [*W 18200/7/41*]

Important FOREIGN OFFICE, *September 30, 1937, 7.15 p.m.*

Count Grandi told me yesterday, on instructions sent off by Count Ciano on his way to Berlin, that his Government were worried about reports of the tenour of the impending invitation to Italy to take part in conversations with Great Britain and France about the withdrawal of volunteers from Spain. The Italian Government clearly feared that this projected conference was being given a great importance on an inadequate foundation and they considered that an exaggerated importance had been attributed to Signor Bova Scoppa's conversation with M. Delbos.[1]

2. I here interjected that perhaps the Ambassador had not received the information that had just reached me that agreement had apparently been reached between the naval experts in Paris on the 29th September.[2] I was delighted at this, since if true it would show quite clearly that we had been sincere in our desire for Italian collaboration in the naval patrol. Count Grandi welcomed this information which he hoped would have a good effect in Rome.

3. Count Grandi continued that Count Ciano had instructed him to make it clear to me that the Italian Government could not accept an invitation to a three power conference which was to deal solely with the question of volunteers. In the circumstances he himself greatly hoped that no such invitation would be issued and his personal suggestion was that the matter should be discussed between you and Count Ciano.

4. I replied that I earnestly hoped that the Italian Government would not decline to consider the idea of such conversations. The essential point was that

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[1] See No. 188.

[2] See No. 214 below.

unless something were done to improve the working of non-intervention the outlook for Europe would be very serious indeed. The exact scope of the conversations was not yet defined. If progress were made with the question of volunteers I would by no means exclude any discussion of the question of belligerent rights. What was essential was to make progress with the Spanish situation. The Ambassador admitted that clearly much would depend on the scope of the conversations.

5. I emphasised that for our part we cared nothing about formalities of procedure which might be necessary before the three Powers met. What we did insist on was that we should meet and do business on the realities of the situation. Count Grandi said he realised that we were suspicious of Italian intentions in Spain, but they on their side had suspicions of the French and to a lesser extent of the British intentions: e.g. that they and we were anxious by whatever methods to have a Red Government in Spain. I replied that I found it hard to believe that the Italian Gov[ernmen]t could think that this was our point of view. I told him that if there were no Italians or other foreigners in Spain it would be quite immaterial to me what was the colour of the Spanish Government. Count Grandi remarked that he liked the frankness of this conversation and added that if the Italian Government had not raised in the Non-Intervention Committee the question of the ineffective closing of their frontier by the French it was not for lack of evidence but because they thought there was no international advantage in a Franco-Italian altercation before the Committee. I pointed out that other aspects of the Spanish question which caused anxiety to the international situation, such as the question of the future of the Balearics, must also be discussed.

6. In reply to the suggestion by the Ambassador that the Italian Government might answer that the proper place to discuss the Spanish situation was the Non-Intervention Committee, where Russia's attitude held up all progress, I said that one of the more important elements of our proposal was that the conversations should take place between us three alone. In this connexion Count Grandi would have observed the interesting comments which M. Delbos had made to Signor Bova Scoppa. Count Grandi agreed that this was an important element in the situation and that he did not doubt that Signor Bova Scoppa had been instructed to renew his conversations with M. Delbos on account of the latter's reference to Russia.

7. Finally I repeated to the Ambassador that the essential for us was that conversations should take place soon between the Powers principally concerned to bring about an improvement in the Spanish situation. The only alternative, I was convinced, was the deterioration of the situation with results that might be grievous to Europe. The last thing which we wished to see was the collapse of the Non-Intervention Committee, but there was a real danger of this unless we could arrange for these conversations to take place. The Ambassador replied that such a collapse could he thought be avoided, but only by very skilful work on our part. I suggested to the Ambassador that his Government might be well advised to state their feelings in the matter as frankly to the French Government as they had to me, if not through Signor

Bova Scoppa then through Signor Cerutti [*sic*] in Paris. I was myself convinced that what the French Government wanted as much as ourselves was the reality of the conversations, and that they would make no difficulties about the methods any more than we should. The Ambassador undertook to put this suggestion, which appeared to appeal to him, to his Government.

Despatch follows by air mail bag leaving to-day.[3]

[3] No. 995 of September 29, not printed.

No. 212

Mr. Edmond (Geneva) to Mr. Eden (Received September 30, 10.5 p.m.)

No. 86 Telegraphic [*W 18292/7/41*]

GENEVA, *September 30, 1937, 7.20 p.m.*

Following from Mr. Elliot.

My telegram No. 85.[1]

After long discussion this morning Drafting Committee adopted a resolution on Spain text of which is contained in my immediately following telegram.[2]

It will be observed that in spite of most strenuous insistence more especially by Monsieur Litvinov resolution contains no reference to aggression or to opening of frontier and that the committee merely takes note that if in the near future withdrawal of volunteers is not achieved parties to non-intervention agreement will consider termination of the policy of non-intervention.

In accepting this text the Spanish representative asked Monsieur Delbos and myself for some explanation of the words 'in the near future'.[3] Monsieur Delbos informed the committee that the French government and His Majesty's Government had already been able to agree upon the text of a note to the Italian government which would be delivered before the end of this week. Further it was clear that the two governments could not tolerate the situation in which further detachments of Italian troops were sent to Spain while negotiations were in progress.

I said that Monsieur Delbos' statement that British and French governments had been actively considering the form of representations in Rome bore witness to the fact that they were anxious to avoid delay otherwise they might have waited for result of discussions in Geneva. As regards the meaning of the words 'near future' I said that if further breaches of non-intervention agreement occurred during negotiations the period would evidently be shorter than if no breaches took place.

Monsieur Del Vayo thanked Monsieur Delbos and myself for our remarks which he said he would communicate to his government.

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[1] No. 206.

[2] No. 213 below.

[3] These words appear in paragraph 7 of the draft resolution: see No. 213 below.

No. 213

Mr. Edmond (Geneva) to Mr. Eden (Received September 30, 10.20 p.m.)

No. 87 Telegraphic [*W 18308/7/41*]

GENEVA, *September 30, 1937, 7.20 p.m.*

Following from Mr. Elliot.

My immediately preceding telegram.[1]

Following is text of resolution

The Assembly

(1) associates itself with Council in recalling that it is the duty of every State to respect the territorial integrity and political independence of other States—a duty which for members of the League of Nations has been recognized by the Covenant;

(2) affirms that every State is under an obligation to refrain from intervening in the internal affairs of another State;

(3) recalls special undertakings entered into by European Governments and London Non-Intervention Committee which in the intention of countries to whose initiative it owes its origin was set up for the purpose of restricting Spanish conflict and thereby safeguarding peace in the rest of the world;

(4) regrets that not merely has the London Non-Intervention Committee failed despite efforts of the majority of its members, of which the Assembly expresses its appreciation, to secure withdrawal of non-Spanish combatants taking part in the struggle in Spain but that it must today be recognized that there are veritable foreign army corps on Spanish soil which represent foreign intervention in Spanish affairs;

(5) observes that Council in a resolution of May 29th last justly described this withdrawal as 'most effective remedy for a situation of great gravity which from the standpoint of general peace it feels bound to emphasize and most certain means of ensuring full application of policy of non-intervention';

(6) sincerely trusts that diplomatic action recently initiated by certain Powers will be successful in securing immediate completion of withdrawal of non-Spanish . . .[2] taking part in the struggle in Spain;

(7) appeals to Governments which must all be animated by desire to see peace maintained in Europe, to take a new and earnest effort in this direction: and notes that if such a result cannot be obtained in near future members of the League which are parties to Non-Intervention Agreement will consider ending policy of non-intervention;

(8) requests Council in view of provisions of Article 11 of Covenant of League to follow attentively the development of situation in Spain and to seize any opportunity that may arise for seeking a basis for a pacific solution of the conflict.[3]

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[1] No. 212.

[2] The text was here uncertain. The missing word is 'combatants'.

[3] The draft resolution was discussed at the tenth meeting of the Sixth Committee on September 30, at 7 p.m. At the end of the debate the draft resolution was adopted, 'subject to the reservations and declarations made by the delegates of the Union of South Africa, Austria,

Bulgaria, Hungary, the Irish Free State and Portugal'. It was then submitted to the Assembly on October 2: see No. 218 below and *L/N.O.J.*, *Special Supplement No. 175*, pp. 66–70 for minutes of the tenth meeting.

No. 214

Agreement between the Naval Representatives of France, Italy, and Great Britain for the Protection of Merchant Shipping in the Mediterranean against the Attacks referred to in the Nyon Arrangement[1]

[*W 18411/23/41*]

PARIS, *September 30, 1937*

I

The main routes to be recommended to merchant shipping in the Mediterranean will remain as defined in annex 2 to the Nyon Arrangement with the following amendment:

Route No. 7. Marseilles–Messina–Port Said. Pass through the following points: J, 25 miles south of Marseilles, the Straits of Bonifacio, the Straits of Messina, E, 35° 47′ north, 16° 40′ east.

II *Zones of Operation*

Those portions of the Mediterranean Sea which under the Nyon Arrangement, were entrusted to the supervision of France and Great Britain, and the Tyrrhenian Sea, which was reserved for special arrangement, will be sub-divided as follows:

Zone I. From the Straits of Gibraltar as far as the line C. San Antonia–Dragonera Point, then along the territorial waters of the south-west coast of Majorca to Cape Salinas and thence to Algiers.

Zone II. From Zone I eastward as far as the following limits:

From the Franco-Italian frontier to the following points:

Ten miles north of Giraglia Light: 10 miles west of Pianosa Light and then south along this meridian as far as the parallel 41° 20′ N.; westward along this parallel to 5° 45′ E.; thence by lines joining the points: 20 miles east of Aire Island Light; 15 miles 229° from Toro Island Light; latitude 37° 55′ N., longitude 11° 30′ E.; then south on this meridian as far as the parallel of Port Pantellaria; then through a point 60 miles 090° from Sfax; thence to the Tripoli–Tunis Border.

Zone III. To the east of Zone II, to the limits:

The parallel of Saseno Island; the territorial waters of Albania and Greece, as far as the parallel of the south point of Cephalonia Island; then to point 36° 25′ N., 16° 20′ E.; westward along parallel 36° 25′ to 13° 40′ E.; south along meridian 13° 40′ E. as far as 33° 30′ N.; eastward along the parallel 33° 30′ N. as far as 20° 00′ E.; then to Kavo Krio (Crete); along the territorial waters of the south, east and north coasts of Crete as far as longitude 25° 06′ E.; thence along this meridian to latitude of Skyros Island Light and thence to the north point of Khios Island; to the territorial waters of Turkey; following these territorial waters to the southward to Cape Khelidonia; then to Port Said; from Port Said to a point 5 miles north of Damietta Light and from there to a point 33° 55′ N., 27° 50′, and thence the boundary between Egypt and Libya in the Gulf of Sollum.

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[1] See Nos. 196, 203, 204, 207. The agreement was subject to the approval of the French, British, and Italian Governments: see para. VIII below.

Zone IV. Bounded on the east by a line Kavo Krio (Crete) to Sapienza Island Light, thence along the territorial waters of Greece as far as the parallel of the S. point of Cephalonia Island and bounded on the north, west and south by Zone III.

Zone V. Bounded on the west by Zone IV and the territorial waters of Greece, on the south by the territorial waters of Crete, on the east by Zone III and the north by the parallel of C. Doro.

Zone VI. The Ægean outside of territorial waters north of Zones III and V.

Zone VII. Bounded on the south by the Egyptian territorial waters between the Egyptian-Libyan boundary and Port Said, and on the north by Zone III.

Zone VIII. The Mediterranean outside territorial waters, east of Zone III.

III *Allocation of Zones*

The French navy will operate in Zones II, V and VIII.
The Italian navy will operate in Zone III.
The British navy will operate in Zones I, IV, VI and VII.

IV

The above allocation of zones does not exclude action by French, Italian or British forces in a zone allocated to another party if the circumstances are such as to render such a course of action advantageous.

V *Collaboration between the Fleets*

Practical measures for the collaboration of the three fleets will be arranged in consultation between the French, British and Italian admirals responsible.

Among the measures concerning which it will be necessary for arrangements to be made are the following:

(1) The drawing up of a simple reporting code for use between the three navies;
(2) Arrangements in connexion with wireless transmission;
(3) The simplification of formalities connected with visits and salutes.

VI *Submarine Exercise Areas*

The Italian navy accepts the restrictions on the movements of submarines agreed to in paragraph V of the Nyon Arrangement. They reserve for their exercises the areas defined below, which complete the list of areas reserved by the Powers parties to the Nyon Arrangement. This list is given in Annex I of that arrangement.

VII *Areas reserved for Italian Submarine Exercises*

Spezia Area. Between longitude 9° 25′ E. and 10° E. and latitude 43° 55′ N. and the Ligurian coast.

Maddelena Area. Between longitude 9° E. and 9° 40′ E. and latitude 41° 17′ N. and the Sardinian coast.

Naples Area. Between the latitudes 41° 03′ N. and 40° 34′ N. and longitude 13° 40′ E. and the Italian coast.

North Sicily Area. Between longitude 14° E. and 15° 30′ E. and latitude 38° 20′ N. and the coast of Sicily.

Taranto Area. Between the coast and a line joining Punta Stilo and Cape S. Maria di Leuca.

Brindisi Area. Between longitude 18° 15′ E., latitude 40° 40′ N. and the Apulian coast.

Upper Adriatic Area. Between the limit of territorial waters from Fiume to Gruica Island to the line rejoining Gruica and Point della Maestra.

Tobruk Area. Area enclosed by the sector of circle of radius 40 miles and centred at Ras Allem el Millir Light.

Ægean Area. Two areas enclosed as follows:

(i) Cape Presonisi Light N.W. coast of Rhodes and lines joining Kum Burnu Light–Candeliusa Light–Presonisi Light.

(ii) Enclosed by lines joining the following points: Candeliusa Light; Levita Island Light; Cape Elia; Tripiti Island (Leros); West coast of Leros Island; Calimnos; Caprari; della Sabbia Light (Cos Island)–N. coast of Island of Cos; Krokelo Point; Candeliusa Light.

VIII

The present agreement is confidential. It will come into force when approved by the three Governments and will continue in force as long as the measures of protection agreed upon in the Nyon Arrangement themselves remain in force.[2]

W. M. James
Wladimiro Pini

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[2] There were delays, however. M. Delbos was at first in favour of communicating to the other participating powers only the map of routes and not of zones under the Nyon Agreement, on the ground that in some cases the zones marked on the maps were not entirely accurate. As a result of strong British objections on this point the French Government agreed to the communication on October 16 of the Paris naval agreement of September 30, on behalf of the French and British Governments, to the representatives in Paris of the powers which had signed the Nyon Agreement. These governments seemed in no hurry to agree to the coming into force of the Paris agreement, and on October 27 Foreign Office telegrams to British representatives in Sofia, Cairo, Athens, Bucharest, Angora, Moscow, and Belgrade instructed them to express H.M. Government's anxiety for the agreement to come into force quickly and the hope that the governments concerned were 'now in a position to convey their assent to it'.

Meanwhile there were still some technical problems to be ironed out, and a meeting took place on October 30 between British, French, and Italian admirals on board H.M.S. *Barham* off Bizerta to try and reach agreement on several outstanding issues, particularly that of the right of participating powers to take action in each other's territorial waters: see No. 295 below.

CHAPTER III

N.I.C. negotiations for withdrawal of volunteers from Spain: preparations for Lord Halifax's visit to Germany: German declaration on Belgian neutrality

October 1–30, 1937

No. 215

Sir G. Ogilvie-Forbes (Berlin) to Foreign Office[1]
(Received October 1, 5.50 p.m.)

No. 237 Telegraphic: by telephone [*R 6581/200/22*]

BERLIN, *October 1, 1937*

My telegram No. 234[2] and Geneva telegram No. 82.[3]

Political Director asked me to visit him this morning and told me that diplomatic circles in Berlin were full of alarmist rumours regarding the result of Signor Mussolini's visit.[4] He invited me to put any questions I liked to which he would give a frank reply. I said that I would like firstly to hear what he had to say. He said that there had not been a scrap of written agreement on any subject and moreover no bloc against third parties had been created. The German Government nevertheless wished to bear witness to and emphasize the solidarity of interests of Italy and Germany which were defensive against the Third International and constructive as regards peace and co-operation with countries who genuinely wanted peace.

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[1] Mr. Eden left London on September 30 for a short holiday in Yorkshire, returning on October 5.

[2] In this telegram of September 30 Sir G. Ogilvie-Forbes said he had received information that 'in accordance with an intimation probably made by Italian Government before Signor Mussolini's visit there is a verbal understanding that Italy would raise no objection to Germany absorbing Austria by peaceful methods'.

[3] No. 205.

[4] Signor Mussolini arrived in Germany on September 25 and went first to Munich where he had a conversation with Herr Hitler. He visited troops in Mecklenburg on September 26 before going via Essen to Berlin on September 27, where he was given an official reception. He had a final conversation with Herr Hitler before leaving Germany on September 29. Sir G. Ogilvie-Forbes's account of the Duce's visit to Berlin is printed as No. 225 below. See also *D.G.F.P.*, Series D, Volume I, Nos. 1, 2, 3, 5, and 6.

Availing myself of his invitation to question him he said in reply that of course Germany and Italy wished for a speedy victory for Franco.

I then asked if there was any truth in the rumours current in Berlin that an understanding had been reached that Italy would not object to Germany quietly swallowing up Austria. He replied definitely that no mention had been made of Austria and that anyhow Germany would not be a party to action contrary to the legitimate interests of the Austrian people.[5]

I then enquired if there was any truth in the talk about a German coup or intervention on behalf of the German minority in Czechoslovakia. He replied that the subject had not been raised during Signor Mussolini's visit.

In thanking him for the opportunity thus given for a frank questioning, I said that I might have to return to the subject of Signor Mussolini's visit in case there was any other point on which you required elucidation. Herr von Weiszäcker replied that I would be welcome.

Repeated to Paris, Rome, Vienna, Prague and Geneva.

[5] Cf. *D.G.F.P.*, *ibid.*, Nos. 252, 253, and 256.

No. 216

Foreign Office to the Earl of Perth (Rome)

No. 312 Telegraphic [*W 18131/7/41*]

Important FOREIGN OFFICE, *October 1, 1937, 8.30 p.m.*

My immediately preceding telegram.[1]

Following is text of joint note:[2]

The Governments of France and the United Kingdom have noted with pleasure that as a result of the conversations which have taken place in Paris between their naval experts and those of the Italian Government it is now possible to contemplate the modification of the arrangement signed at Nyon on the 14th September[3] in such a manner as to secure the participation of

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[1] Telegram No. 311 of October 1 referred to the proposed Anglo-French note on Spain (see Nos. 208, 210, and 211) and instructed Lord Perth to concert with his French colleague in delivering the note to the Italian Government as soon as the formal agreement of the French Government had been given.

[2] The first draft of the joint note, delivered to M. Corbin by Mr. Eden on September 29 with an intimation that it represented the views of himself and Mr. Chamberlain, is printed in *D.D.F.*, *op. cit.*, No. 500. Three additions to the draft (see notes 4, 7, and 8 below) were suggested by the French Government and were the subject of discussion on September 30 by M. Corbin and Sir R. Vansittart (in Mr. Eden's absence). Mr. Chamberlain gave his agreement to the final text late that evening, and a note by him read: 'I have discussed these am[en]d[men]ts with Van & marked what I will agree to in the margins. N.C. 30.ix.37.' Mr. Eden gave his agreement to the text by telephone. The note is printed in Cmd. 5570, Spain No. 3 (1937), *Correspondence with the Italian Government regarding the Withdrawal of Foreign Volunteers from Spain, October 2–9, 1937*.

[3] See No. 156.

Italy in the measures agreed upon for rendering the arrangement effective. Favourable conditions are thus created to enable the three Governments to examine in a spirit of perfect frankness the situation arising from the prolongation of the Spanish conflict.[4]

The two Governments have, moreover, noted with satisfaction the assurances given by His Excellency Count Ciano to the British Chargé d'Affaires in Rome that there was no present intention of permitting the despatch of further volunteers to Spain.[5] They have also taken note of the declaration made to Monsieur Delbos by the Italian Delegate at Geneva that Italy had no intention of making the smallest change in the territorial status of Spain; that she had no designs upon the Balearic Islands and that the integrity of the continental and insular territory of Spain would be strictly respected.[6] For their part the two Governments willingly renew the same assurances to the Italian Government. They further desire to declare that, in accordance with what is the very essence of the non-intervention agreements, they consider themselves bound to respect the political independence of Spain.[7]

The Governments of France and the United Kingdom earnestly desire that the civil strife in Spain shall cease to be a cause of international unrest and suspicion and that in that part of Europe conditions shall develop which shall permit of progress being made elsewhere towards general appeasement. But they are convinced that no considerable improvement in the situation is possible until further measures have been carried out to make the policy of non-intervention effective by the withdrawal of the non-Spanish nationals who are now taking part in the struggle. So long as large numbers of foreigners continue to assist both sides, the risk of grave international disturbances will be present and will inevitably tend to increase until at least a substantial number are withdrawn. The London Committee has of course been already apprised of this programme, but the difficulties it has come up against have practically paralysed its action and it appears that a previous agreement between the three Powers is necessary to overcome these obstacles. The view of the two Governments is that the elaboration of such an agreement should form one of the essential elements of the frank and cordial conversations to which they invite the Italian Government.[8] Moreover, greatly as the French and United Kingdom Governments desire to maintain the obligations which they have undertaken resulting from the international agreements respecting the supply of arms and men to Spain, they cannot conceal from themselves the difficulty of preserving these conditions unless some such steps are taken to make the policy of non-intervention really effective.

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[4] Mr. Chamberlain agreed to the inclusion of this sentence, but refused to approve two proposed following ones, viz: 'There is a growing danger that this conflict will divide Europe into two opposing camps. The duty is imposed on all European Governments to take measures to meet so grave a danger and particularly on the great Mediterranean Powers who will suffer more than any others from any complications which may ensue.' Sir R. Vansittart also indicated that he disliked these two sentences, particularly the first.

[5] See No. 187.

[6] See No. 188.

[7] The last two sentences of this paragraph were from the French proposal and were accepted without amendment.

[8] This and the preceding sentence were from the French proposal and were accepted without amendment.

With this end in view, the French and United Kingdom Governments have the honour to invite the Italian Government to join with them in conversations with the object, if possible, of reaching an agreement on measures to carry this policy into effect. In their view, such an agreement would not only make an important contribution to the improvement of the political situation, but once such a withdrawal has been effected the question of the recognition on certain conditions of belligerent rights to the two parties should be capable of solution. It is the earnest desire of the two Governments that these conversations, to which they attach the utmost importance, should be held at the earliest possible moment.

No. 217

Foreign Office to the Earl of Perth (Rome)

No. 313 Telegraphic [*R 6577/1/22*]

Important FOREIGN OFFICE, *October 1, 1937, 11 p.m.*

My telegram No. 311.[1]

After you have concluded your interview with Count Ciano in concert with your French colleague in accordance with the instructions contained in my telegram under reference, you should ask Count Ciano if you may remain behind and you should then speak to him on the subject of Anglo-Italian conversations in the following sense:

The desire of His Majesty's Government to hold conversations with the Italian Government was made plain by the Prime Minister in his letter to Signor Mussolini at the end of July,[2] and again by Mr. Ingram in the first half of September when acting on the instructions contained in my telegram No. 284.[3] His Majesty's Government are still anxious for a successful issue to such conversations, and the position in the Mediterranean, which had naturally militated against the early discussion of Anglo-Italian differences and misunderstandings, is now it is to be hoped in course of being cleared up as a result of Italian participation in the Nyon arrangements. Meanwhile the situation is Spain is still casting a cloud over the whole of Western Europe and until this great problem with all its implications is in a fair way to settlement, it seems doubtful whether any measures of general appeasement in Europe are feasible. His Majesty's Government are hopeful that as a result of their present *démarche* with the French Government, discussion may ensue which will result in an agreement on the problem of foreign intervention in Spain. The success of such discussion would of course have a great effect upon public opinion in this country. Nor would the effect be confined to the United

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[1] See No. 216, note 1.

[2] No. 65.

[3] No. 140.

Kingdom. Success in these negotiations would impress opinion throughout the world and would certainly lead to a more sympathetic attitude towards Italy than has lately been exhibited at Geneva. We hope therefore to be able to count on the fruitful co-operation of Italy in this field.

Nevertheless His Majesty's Government would not wish to delay the attempt to improve their relations with the Italian Government while awaiting the outcome of any tripartite discussions on the Spanish question. It is true, as indeed they have already pointed out (see my telegram No. 284 and Mr. Ingram's telegram in reply No. 501),[4] that they are unable to give at present any undertaking as regards a declaration by the League in the sense that Abyssinia has ceased to be an independent State. In these circumstances the Italian Government will probably agree with His Majesty's Government that it would be premature to attempt to discuss any of the East African questions which remain to be settled between them, e.g. questions affecting the boundaries of British Somaliland, Kenya and the Sudan, and British rights and interests in Abyssinia. Nevertheless there are, in our view, certain questions of mutual interest which might be discussed between us with advantage in the near future.

Apart from the effect which such conversations might be expected to have in the psychological sphere—an effect which His Majesty's Government presume would be as welcome to the Italian Government as to themselves—Count Grandi towards the end of July made certain general proposals regarding the exchange of military (using the term in its widest sense) information between the two Governments in the Mediterranean area. This proposal is one which His Majesty's Government would, within certain limits, be prepared to entertain. On their side there are certain questions which His Majesty's Government would be glad to discuss with the Italian Government. These would include Italian propaganda in the Near and Middle East, the position in the Red Sea and adjoining territories, and possibly the recent reinforcement of the Italian garrison in Libya. His Majesty's Government consider that preliminary conversations, limited though they would be to the above subjects, might nevertheless serve a very useful purpose in the clarification of certain aspects of the Mediterranean and Red Sea situations and in the elimination of certain suspicions and misunderstandings.

You should therefore as a first step enquire whether the Italian Government share the views put forward in the preceding paragraphs which should be embodied in an Aide-Mémoire and left with Count Ciano, and if so whether they would be prepared to start conversations on this basis at an early date.

For your own information. Should the Italian answer be in the affirmative we should of course send you detailed instructions on all the above points, and I should hope to send out Mr. Rendel[5] to assist you in regard to Red Sea questions.

Repeated to Cairo.

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[4] No. 151.

[5] Head of the Eastern Department of the Foreign Office.

No. 218

Mr. Edmond (Geneva) to Foreign Office (Received October 5)

No. 62 Saving: Telegraphic [*W 18442/7/41*]

GENEVA, *October 2, 1937*

Following from Mr. Elliot.

My telegrams Nos. 87[1] and 93.[2]

The resolution on Spain which had been adopted by the Sixth Committee with some abstentions was discussed in the plenary meeting of the Assembly tonight. The Hungarian and Austrian delegations had submitted two verbal amendments to paragraph 4 of the resolution, and two to the second sub-paragraph of paragraph 7. They supported these amendments in speeches to the Assembly, and the Albanian delegate also expressed his approval.

Mr. de Valera said that Section 2 of paragraph 7 misrepresented the facts, as the Irish Free State were not considering putting an end to non-intervention; he would therefore abstain. The South African delegate (Dr. Gie) declared his intention of abstaining because this paragraph constituted a threat and was therefore not conducive to the success of the proposed negotiations in Rome. The delegates of the Latin American States except those of Mexico, Colombia and Ecuador, and the Bulgarian and Swiss delegates also declared their intention of abstaining. The Portuguese delegate said that he could not accept the draft resolution.

Monsieur Litvinov said that the amendments would undo the whole work of the drafting committee and of the Sixth Committee. He called attention to the expression 'the near future' in paragraph 7 of the draft resolution, and said that if the Powers which had hitherto been subjecting the withdrawal of volunteers to conditions continued their dilatory policy, the near future would become eternity: the Soviet Government reserved the right to decide for itself how much time should be allowed.

The Polish delegate said that the resolution contained no threat, as some speakers had suggested; its adoption would moreover in no way limit the complete freedom of action of any State which had voted for it; and Poland therefore intended to do so.

I said that I regretted the introduction of these amendments which did not appear to affect the substance of the resolution. The United Kingdom delegation had taken part in the drafting committee; had explained its views on it in the Sixth Committee, and had voted for it there. They would again vote for it in the Assembly and would oppose the amendments.

Monsieur Paul-Boncour said that France would vote for the resolution. The text was the result of a compromise and consequently could not fully satisfy everyone. But he hoped agreement could be secured in its favour, since otherwise the Assembly would be reduced to silence on this important point.

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[1] No. 213.

[2] In this telegram of October 3 Mr. Elliot reported briefly that the resolution had failed to secure a unanimous vote owing to the adverse votes of Portugal and Albania. 'Consequence is that this Assembly will express no opinion on the Spanish conflict.'

The Mexican delegate, in expressing his intention to vote for the resolution, made a reservation to the effect that as Mexico had not signed the Non-Intervention Agreement he wished to make it clear that, in accepting the resolution, Mexico was in no way abandoning her right to render assistance to the legitimate Government.

The Spanish delegate (Monsieur Azcárate) said that he accepted the resolution, though it did not give Spain full satisfaction, as was clear from a comparison between it and the speeches of the Spanish Prime Minister and Monsieur del Vayo. The amendments had an innocent air, but really made a substantial difference.

The amendments were then put to the vote. The first two were defeated by 32 votes to 3 (Albania, Austria and Hungary) with thirteen abstentions; the second two were defeated by 31 votes to 3 with 14 abstentions (Ecuador which had voted for the first two abstained as regards the second two).

The Hungarian delegate then proposed that separate votes should be taken on paragraphs 4 and 7. In both cases there were 32 votes in favour and 4 (those of Albania, Austria, Hungary and Portugal) against, with 12 abstentions. The whole resolution was then put to the vote and received 32 votes in favour and 2, those of Albania and Portugal, against; Austria and Hungary abstained, raising the number of abstentions to 14. The resolution thus failed to obtained the necessary unanimity.[3]

[3] For minutes of this debate at the eleventh plenary meeting of this session of the Assembly, see *L/N.O.J., Special Supplement No. 169*, pp. 99–108.

No. 219

The Earl of Perth (Rome) to Foreign Office (Received October 3, 10 a.m.)

No. 583 Telegraphic [*W 18389/7/41*]

ROME, *October 3, 1937, 12.55 a.m.*

My immediately preceding telegram.[1]

After conversation between Italian Minister for Foreign Affairs my French colleague and myself had been concluded I remained on and said to Count Ciano on his return from talking to Signor Mussolini on the telephone that before entering on substance of reason for my visit I should like to assure him on behalf of the Prime Minister that the latter had told me and had given me permission to pass it on that he sincerely meant and adhered to feelings expressed in letter he had sent to Signor Mussolini.

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[1] In this telegram No. 582 of October 2, Lord Perth reported that he and the French Chargé d'Affaires had that evening handed to Count Ciano the text of the joint Anglo-French note (see No. 216). Count Ciano said that he did not think that Italy would be ready to enter into conversations without Germany. He then had a telephone conversation with Signor Mussolini who wished, he said, to read the Note carefully before taking any further step.

I then said that I had been unhappy at certain events which had happened during my absence. Prospects of something useful as regards relationship between our two countries had seemed to me to be favourable but Santander message[2] had greatly irritated nations at Geneva. Even so I had hoped that a better atmosphere might have resulted had he been able to accept Nyon invitation and to meet the Secretary of State and M. Delbos there but this had also proved a vain hope. My government had had whole question of Anglo-Italian relations under careful and anxious consideration and had now given me instructions which were embodied in enclosure in aide-mémoire.[3]

This the Minister for Foreign Affairs read and said that as it was so closely connected with proposal for conversations *à trois* he could not give me an answer until the whole question had been considered by his chief.

As I left I said that I could not help feeling that his insistence in previous conversation—my immediately preceding telegram—on presence of Germany must be due to a suspicion which to my mind was totally unfounded that British and French Governments were asking for these conversations *à trois* in order to attempt to weaken Rome-Berlin axis. Such suspicions were really untenable. To this the Minister for Foreign Affairs replied that he thought that if Italy was too suspicious so was Great Britain. I assured him that as far as we were concerned we had no desire to hurt Italy and the Minister for Foreign Affairs stated that he hoped we would be able by our personal collaboration to prove that suspicions on each side were mistaken.

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[2] See No. 108, note 4.

[3] See No. 217.

No. 220

Sir E. Phipps (Paris) to Mr. Eden (Received October 5, 3.25 p.m.)

No. 191 Telegraphic [*W 18476/7/41*]

PARIS, *October 5, 1937, 2 p.m.*

I went to see the Minister for Foreign Affairs this morning.

His Excellency fears an Italian negative to our last *démarche* at Rome.[1] In this case he feels very strongly that there is only one thing that Great Britain and France cannot do and that is to take it lying down. The success of Nyon was due to readiness of both countries to act without Italy if necessary.

M. Delbos went so far as to suggest possibility of our taking some 'prise de gages'. This expression alarmed me as I have heard that Greek Minister here has been urging the French Government to seize Spanish Morocco, on the pretext that it had been ceded to Spanish *government* who were no longer in possession of it. I therefore enquired what he contemplated occupying and he replied 'Minorca' which is still in the possession of the Spanish government forces. M. Delbos admitted that this procedure had certain limits and smacked furiously of 'intervention'. He would not however admit Italian hold on Palma has recently been relaxed. He would like your views as to the best course to pursue in the event of a negative Italian reply. He suggests further the opening of frontiers and granting of permission to Spanish government to get arms and ammunition 'in transit' across France.

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[1] See No. 219, note 1.

His Excellency feels recent Seville broadcast agreeing to withdrawal of Italian volunteers under certain conditions should strengthen us in our future conversations with the Italian government.[2]

Repeated to Rome Saving and Geneva by bag.

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[2] In a letter of October 6 to Mr. J. E. Coulson, a Third Secretary in the League of Nations and Western Department, Mr. J. V. Perowne, First Secretary in H.M. Embassy at Paris, said that reports of the recent Seville broadcasts agreeing to the withdrawal of Italian volunteers had appeared in the French press of October 4. He sent a cutting from the *Petit Parisien* of that day, according to which the messages came from Gibraltar via London.

No. 221

Sir E. Phipps (Paris) to Mr. Eden (Received October 5, 8.10 p.m.)

No. 192 Telegraphic [*C 6875/3/18*]

PARIS, *October 5, 1937, 6.50 p.m.*

Geneva telegram No. 82.[1]

Minister for Foreign Affairs tells me that Monsieur Krofta, during his recent visit to Paris, asked him (Monsieur Delbos) point blank whether in the event of such action by Germany in the case of Czechoslovakia the latter Power could count upon French of [*sic*] military support.[2]

Monsieur Delbos replied that Czechoslovakia could always rely upon France loyally honouring her engagements under treaty between the two countries. He pointed out, however, that acts of nature suggested in above telegram might conceivably not be covered by treaty, and must be considered as and when they occurred; but he promised French Government would consider matter carefully and reply in due course.

His Excellency told me that in any clear case of German movements against Czechoslovakia France would be compelled to go to the latter's assistance unless she were content to become a second-rate power. He said your statement some time ago that Great Britain could not disinterest herself from Central Europe has had an excellent effect, and he greatly hoped that you would take an early opportunity of renewing it publicly.[3]

Repeated to Prague.

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[1] No. 205.

[2] Cf. *D.D.F.*, *op. cit.*, No. 486; vol. vii, Nos. 3, 18.

[3] See Volume XVIII, No. 670, note 5. It was agreed in the Foreign Office that a public reaffirmation of 'our now rather well-worn statement about our interest in Central Europe' would not come amiss. Mr. Eden thought (October 7) that an opportunity might occur in a forthcoming speech at Llandudno: see No. 234, note 4 below.

No. 222

Mr. Mallet (Washington) to Mr. Eden (Received October 6, 9.30 a.m.)

No. 327 Telegraphic [*A 7186/448/45*]

WASHINGTON, *October 5, 1937, 7.20 p.m.*

President made important speech on foreign policy at Chicago today, text of which has been telegraphed to all United States representatives.[1]

Without naming any particular country he spoke in strongest terms of conditions now prevailing and called for peace loving nations to make concerted effort in opposition to those violations of treaties and ignorings of human instincts which are creating state of international anarchy. He mentioned special breaches of Covenant of League of Nations, Kellogg Pact and Nine-Power Treaty.

In view of present international anarchy it was matter of vital interest to United States that sanctity of international treaties and maintenance of international morality be restored. Epidemic of world lawlessness was spreading and when a physical epidemic starts to spread the community joins in a quarantine of patients to protect health of community.

While declaring his intention of taking every step to avoid entanglement of United States in war he stated they could not insure themselves against disastrous effects of war and danger of involvement.[2]

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[1] Extracts from President Roosevelt's speech are printed in *The Times*, October 6, 1937, p. 13.

[2] The so-called 'quarantine' speech by President Roosevelt aroused much speculation both in the Foreign Office and in wider circles that the U.S. Government might be considering a modification of their policy of strict neutrality in view of the serious situation in the Far East, where a clash between Chinese and Japanese troops at Lukouchiao on 7th July had led to a generalized Sino-Japanese conflict by the end of July. These events will be dealt with in a subsequent volume in this Series.

In a minute of October 7 Mr. Holman felt that the President's speech 'will certainly create a great moral effect' and that there might be strong pressure on His Majesty's Government to follow up the President's proposal for concerted action. Sir O. Sargent, however, thought (October 7) that the speech did not represent any real change in policy and that any such 'premature if not mistaken idea is likely to produce effects which may be very embarrassing to His Majesty's Government as regards both their Spanish and their Japanese policy'. He suggested that News Department be asked to try and calm speculation in the press, but Sir R. Vansittart wrote (October 7): 'We must not cold-water this in the press. On the contrary we must see how far we can develop this change of tone in the USA, though we may well be disappointed.' In telegram No. 422 of October 7 Mr. Mallet was informed that Mr. Eden had seen the U.S. Chargé d'Affaires that afternoon to express 'our warm appreciation of President Roosevelt's speech' which had already had 'a steadying effect not only in the Far East, but in Europe'.

No. 223

Mr. Edmond (Geneva) to Mr. Eden (Received October 5, 8.10 p.m.)

No. 96 Telegraphic [*W 18557/7/41*]

GENEVA, *October 5, 1937, 7.55 p.m.*

Following from Mr. Elliot.

My telegram No. 62 Saving.[1]

The result of the debate on Spain in the Assembly on October 2nd as seen from here provides strongest possible evidence that Spanish question cannot effectively be dealt with by the League. Although the resolution was eventually lost by only two votes the number and character of abstentions revealed the degree to which the Assembly was split on the issue. When it was learned that Austria and Hungary would abstain from voting an attempt was made to persuade Albania and Portugal to follow their lead. But Albanian representative was immovable and the Portuguese representative displayed a telegram from Lisbon which he said contained absolutely rigid instructions to vote against everything.

In spite of every endeavour therefore unanimity was unobtainable.

I am convinced that the resolution represented the greatest possible measure of common ground and that further modifications might have led to even more serious split. While the proceedings on Saturday were discouraging from the point of view of the League, they at least reflected clearly the state of opinion of the member states on the Spanish conflict.

The hands of His Majesty's Government should therefore be correspondingly free in dealing with further developments of Spanish situation.

[1] No. 218.

No. 224

Sir R. Clive[1] (Brussels) to Mr. Eden (Received October 8)

No. 44 Saving: Telegraphic [*C 6931/181/4*]

BRUSSELS, *October 6, 1937*

I called on the Minister for Foreign Affairs[2] this afternoon. He only returned from Geneva yesterday and I had not seen His Excellency since my return to Brussels. Monsieur Spaak said he was glad I had called as he had something to say to me.

When he had seen you at Geneva recently he said he had told you that the Germans were contemplating a declaration about Belgium on the lines of the Anglo-French declaration of April 24th.[3] Since this things have moved more quickly than he had expected and the Belgian Minister in Berlin had been discussing the matter.[4] As soon as the text had been agreed he would at once give me a copy. The declaration would be unilateral statement of which the Belgian Government would take act. He added that his Government could not well refuse to accept such a declaration; but they looked upon it as a temporary statement of the German attitude towards Belgium pending the conclusion of a general pact to replace Locarno. I asked if the German declaration was likely to be made before the end of the month. He could not say, but it was not impossible.[5]

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[1] H.M. Ambassador at Brussels. [2] M. Spaak. [3] See Volume XVIII, No. 431.

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[4] Cf. *D.G.F.P.*, Series D, Vol. v, No. 473.

[5] Mr. Eden wrote on the filed copy of this telegram: 'Sir O. Sargent. This seems to me to be going too fast. Have the Belgians told the French—we should ask, & also to see the declaration before the Belgians accept, should we not?' According to the Belgian record printed in *D.D.B.*, vol. iv, No. 239, M. Spaak also had an interview on October 6 with the French Ambassador, M. Laroche, and told him about the proposed German declaration: cf. *D.D.F.*, vol. vii, No. 20.

No. 225

Sir G. Ogilvie-Forbes (Berlin) to Mr. Eden (Received October 8)

No. 888 [*R 6686/200/22*]

BERLIN, *October 6, 1937*

Sir,

For some time before Signor Mussolini's visit[1] it was clear to every resident in Berlin that the German Government intended to accord him a reception exceeding in magnificence and grandiosity anything previously attempted on a similar occasion. It was arranged that his train should stop at the Heerstrasse, a small suburban station close to the Olympic stadium. From this point the broad straight road leading into the town had been decorated with thousands of German and Italian flags. Four rows of illuminated white pylons bearing golden eagles had been built in Unter den Linden and the houses in this street and in the Wilhelmstrasse had literally been covered with gigantic German and Italian flags, which hung alternately down the facades. It is estimated that 55,000 square metres of bunting were woven for the purpose. In addition the town was flagged by order of the Minister of the Interior and the whole Government quarter was illuminated by especially installed flood-lighting apparatus.

2. In this setting vast crowds were assembled to greet the Duce. Nearly a million spectators were brought in by special trains from the provinces and work ceased at 4 p.m. on the day of the arrival so as to enable the population of Berlin to be present. As I reported in my despatch No. 874 of 23rd September,[2] the following day was decreed a public holiday on full pay.

3. Considerable anxiety was felt, even by Herr Hitler himself, for Signor Mussolini's safety and the most elaborate measures were taken to protect him. S.S. formations from every part of Germany, about 60,000 strong in all, lined

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[1] See No. 215, note 4.

[2] Not printed.

the route, in places three or four deep. It is noteworthy that no S.A. were employed for the purpose. The police was reinforced by detachments from Saxony and plain clothes men in large numbers moved amongst the crowd. Police dogs were stationed at intervals and armed launches patrolled the distant Spree. No strangers were admitted to any of the houses on the route and spectators were not allowed to carry open cameras or even bouquets of flowers.

4. Signor Mussolini's arrival was timed to take place at 5.30 p.m. on September 27th. Shortly beforehand Herr Hitler with his entourage arrived by special train from Essen. On the platform were the remainder of the cabinet, other notables and the diplomatic representatives of Austria, Hungary and of General Franco. Meanwhile the crowds in places twenty deep had massed along the five miles of the route. Signor Mussolini on arrival inspected a guard of honour and entered the leading car of the procession. The other members of the Italian party were paired off with appropriate Germans. Thus Herr von Neurath, resplendent in the brand new uniform of an S.S. general, drove with Count Ciano, Herr Hess with Signor Starace[3] and Dr. Goebbels with Signor Alfieri.[4] In the rear came the lesser lights including Herr von Hassell in the uniform of a brigadier in the National Socialist Motor corps. It may be remarked that no civilian clothes were allowed to mar the display; even the members of the Protocol Department of the Ministry for Foreign Affairs were wearing variegated S.A. uniforms.

5. The procession moved off at a fair speed, Signor Mussolini and Herr Hitler standing up in their car so as to be seen and to acknowledge the applause of the spectators. The crowd, whilst perhaps not over enthusiastic, was in a happy holiday mood, anxious to see the show. If the cheers were not as loud as they might have been, it was partly due to the fact that the procession passed so quickly that it was impossible to get more than a momentary glimpse of the Chancellor and his guest. At the corner of Wilhelmstrasse, where the crowd was thicker and the pace slower, the demonstration sounded genuinely enthusiastic.

6. Herr Hitler took leave of Signor Mussolini at the Presidential Palace and drove on to the Reich Chancery a hundred yards further down the street. In the evening he gave a banquet to which all the Italian visitors, the members of the Italian Embassy, the German Government and representatives of the Party, the Defence Forces and Civil Service were invited. No other foreigners were present. The texts of the speeches made on this occasion were enclosed in my despatch No. 878 of 30th September.[2]

7. The following morning Signor Mussolini spent alone visiting a Berlin museum, Potsdam, the Italian Embassy and the local Fascio. He lunched with General Göring at his country house on the Schorfheide. Shortly after 6 p.m. Herr Hitler and Signor Mussolini drove together to the demonstration on the Maifeld, which was intended to be the culminating point of the visit. Over 650,000 persons had been massed there and in the adjoining stadium and at least one-and-a-half millions were lining the route. Some of the

[3] Secretary of the Italian Fascist party.

[4] Italian Minister of Press and Propaganda.

columns forming this crowd had begun to march as early as 9 a.m. The two dictators were received with great enthusiasm. A translation of the speeches delivered on this occasion was sent to you under cover of my despatch No. 878 of 30th September. Signor Mussolini spoke in German. He had of course been assisted in the preparation of his speech, but his accent was excellent and the millions of wireless listeners in Germany clearly heard every word. His audience on the Maifeld was not so fortunate for, carried away by his own eloquence, Signor Mussolini leant forward and bellowed into the microphone with the result that it was impossible for those actually present to understand more than a fraction of the speech. Neither this circumstance, however, nor the fact that rain was falling with almost tropical intensity damped the tumultuous cheering of the crowd.

8. Immediately after the speech the dictators, by then wet to the skin, walked through the crowd to the Olympic stadium where they witnessed a military tattoo. They returned to Berlin about 9 p.m. Meanwhile the millions were slowly marching back through the congested streets. The columns were held up interminably and hundreds fainted on the way. The conditions did not seem to depress them and ribald shouts were heard: 'Tomorrow we shall of course read in the papers that the organisation was quite perfect'. These sallies were greeted with good-humoured laughter. Many who had been on their legs since morning did not reach home till midnight.

9. The next day Signor Mussolini laid a wreath on the war memorial and, accompanied by the Chancellor, attended a military parade. After the parade Herr Hitler gave a luncheon, to which Signor Mussolini and only a handful of guests were bidden and at 4 p.m. the whole Italian party left by special train.

10. There is no doubt that the visit was an enormous success. If evidence on this point were required it would be provided by the depressed demeanour of the French and Austrian representatives. It cannot of course be expected that five days of Italo-German celebrations should elevate the Italians to heroes in German eyes, but within the limits of what is practicable the maximum has been achieved. It may be convenient to take the various aspects separately: the effect on German public opinion, the effect on Signor Mussolini and the political implications and results of the visit.

11. As reported in Sir Nevile Henderson's telegram No. 214 of 8th September,[2] the man in the street viewed the Italian entente with no enthusiasm and with some misgiving. Nevertheless when the time came curiosity, press propaganda and organisation all combined to assure a more than worthy welcome for the Duce. As an example of curiosity may be cited the example of two soldiers in the crowd who amidst general laughter and approval ordered spectators to lower their hands on the passage of the procession so as not to obstruct the view. Press propaganda I need not enlarge on, but the organisation responsible for importing eager crowds from the provinces and marching workers from the factories was remarkable. A British subject, married to a German, whose daughter works in a factory in Berlin, states that the employees were paraded before the visit and exercised in

combined cheering under the direction of a cheer-leader on the American model. Signor Mussolini himself was the subject of much favourable comment. The people had been led from photographs and press accounts to expect a man of arrogant mien cast in the heroic mould; instead they saw a bronzed athletic and vivacious figure with a radiant and engaging smile. His speech and the fact that he spoke in German made an excellent impression. As the days passed the masses under the influence of the celebrations and the concomitant propaganda seemed to become more accustomed to and in favour of the idea of an entente with Italy. The fear of Mediterranean entanglements largely gave way to a feeling of self-esteem at the spectacle of the union of two powerful States extending from the Baltic to the Eastern Mediterranean. A public opinion which could be made to swallow an agreement with Poland three years ago without a murmur is not a force to be reckoned with when considering the prospects of the Italo-German entente. But for what it is worth, the visit has had the effect of making the Italian connexion more acceptable to the German people.

12. The greatest pains were taken to impress Signor Mussolini with the might of German arms and organisation. He was shown the party machine and formations at Munich, the army on manoeuvres, the Krupp works at Essen and finally the capital of the Reich decked out in his honour. It is doubtful whether there has ever been an organised demonstration on such a scale as that of 28th September. I hear from Italian sources that the efforts of the German Government were amply rewarded. The Duce was in his best form and delighted at the warmth of the popular welcome; but above all he was impressed, more than he really desired to be, with the evidence he saw of the discipline and strength of the German nation. He will have his work cut out to stage an equally impressive show when Herr Hitler makes his promised journey to Italy.

13. As I reported in my telegram No. 234 of 30th September,[5] the German Government instructed their representatives abroad to refer enquirers, desiring information about the visit, to the speeches made on September 27th and 28th. This reply will probably not be regarded as satisfactory, but the speeches are worth careful examination since they throw much light on the present course of Italo-German relations. In the first place both speakers, particularly Herr Hitler, emphasise that the entente between the two countries rests on their common political ideology and not on the shaky basis of political expediency. This aspect was brought out at Nuremberg and has been the subject of endless leading articles in the press. The doctrines of the totalitarian State constitute a political religion and the differences to which they give rise seem to stir human passions as deeply as any dogmatic dispute of the past. The fact that the two Fascist States are surrounded by critics, whose hostility is based on ideological as well as political grounds, tends to drive them together. This factor should not be lost sight of in estimating the durability of the Italo-German entente.

14. Nevertheless although the speakers claimed, and with some justifica-

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[5] See No. 215, note 2.

tion, that the strength of the Rome-Berlin axis lies in a common political outlook rather than in a community of interests, considerations of political expediency have played their part and it is clear that both parties hope to secure mutual support in the furtherance of their political aims. On the National-Socialist side, quite apart from ideological considerations, an alliance with Italy has always had its attractions. In *Mein Kampf* (p. 705 and p. 711) Herr Hitler writes: 'Within measurable time there can only be two possible allies for Germany in Europe: England and Italy. . .What must guide us today is ever the fundamental consideration that the recovery of a country's lost territories depends in the first place on the recovery of political independence and power by the Motherland. To render this possible and to secure it by a clever alliance policy is the first task of a strong leader of our foreign policy'. From this point of view Signor Mussolini's speeches were not unsatisfactory to Germany. The Italo-German entente, he declared, was not directed against third parties, it was an instrument of peace, but only on certain conditions. 'Italy and Germany are ready to collaborate with all other peoples of goodwill. What they demand is respect and understanding for their necessities and their legitimiate claims' (speech of September 27th); and again: ' We National-Socialists and Fascists want peace and will always be prepared to work for peace, a real fruitful peace, which does not silently pass over, but solves the questions arising from the communal life of the nations'. (Speech of September 28th). If Italian support for German aspirations is forthcoming there will be no difficulty in popularising the Rome-Berlin axis in this country.

15. Before leaving the speeches I should like to call your attention once more to the manner in which the most recent history can be falsified here with impunity. In his speech on the Maifeld Herr Hitler said amidst frenetic applause: 'In that time of bitter trial (the post-war years) Italy, and especially Fascist Italy, took no part in the humiliations imposed upon us. In those years it showed understanding for a great nation's claim to equality, for its bare necessities and not least for its national honour'. Yet Stresa is fresh in every German's mind and no National-Socialist can forget the period after the murder of Dr. Dollfuss, when Italy was Public Enemy No. 1. At that time the *Popolo d'Italia* wrote of the Nazis: 'A National-Socialist is an assassin and a pederast'.

16. As regards the conversations, I have nothing to add to my telegrams Nos. 234 and 237.[6] The Austrian Minister has been unable to ascertain what decisions, if any, were reached in regard to the future of his country. He does not believe the statement of the Ministry of Foreign Affairs here that no mention was made of Austria, but the members of the Italian delegation declined to give him any information and confined themselves to assuring him that he need not fear that Austrian interests had been sacrificed. The general impression here is that an understanding on the lines set forth in paragraph 2 of my telegram No. 234 was reached before the visit and was verbally confirmed here. As regards the Mediterranean, it is believed that both

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[6] No. 215.

governments have undertaken to continue to act in close consultation. Whatever the subordinate staffs may have done, it is doubtful whether Herr Hitler and Signor Mussolini can have had time to discuss their common problems in more than the most cursory manner. You will recollect that when you were here with Sir John Simon[7] the conversations on the two days lasted nearly twelve hours in all, but it appears from a study of Signor Mussolini's timetable, of which I enclose a copy,[2] that he cannot have had during the whole of his visit more than two or three hours free for political conversations with the Chancellor.

17. The fruits of Signor Mussolini's visit will become apparent during the coming months. Neither dictator can afford, for internal political reasons, to stultify himself by allowing the friendship to cool, and those who prophesy a loosening of the Italo-German ties are likely not only to be wrong but to produce a reaction which will merely strengthen them. Co-operation in the Mediterranean, closer liaison between the armed forces of the two countries, Italian support for German colonial aspirations, an increased sensitiveness to foreign criticism of totalitarian ideals and an ever louder demand that the Western Powers shall turn their backs on Bolshevism. These are likely to be the immediate results of the visit. What the ultimate results will be it is impossible to forecast, but there is an ominous sentence in *Mein Kampf* (page 749): 'An alliance, the aim of which does not comprise the intention to make war, is meaningless and worthless'. Germany does not want war, but she desires a German peace.

18. I am sending a copy of this despatch to His Majesty's Representative at Rome.

I have, etc.,
GEORGE OGILVIE-FORBES

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[7] In 1935: see Volume XII, No. 651.

No. 226

Sir G. Ogilvie-Forbes (Berlin) to Mr. Eden (Received October 8)

No. 601 Saving: Telegraphic [*C 6940/37/18*]

BERLIN, *October 7, 1937*

The colonial campaign in the press is in full swing. Almost all newspapers to-day contain leading articles on the subject. The *Kölnische Zeitung*, for example, begins with the words 'The return of the German colonies has to-day become a plank in the official foreign policy of the German Government'.

All the familiar arguments are used: economic necessity, Germany's moral claim, the necessity of satisfying Germany's demand for complete equality of rights. Some newspapers refer to the Congo acts[1] and argue that it is essential for the prestige of the white man in Africa, both that Germany should recover her colonies and that the Powers should undertake never to wage war in Africa again.

Messages from Rome indicate that Italy is supporting Germany's colonial demands.

[1] The Congo Basin Treaties comprised the Berlin Act of 1885, the Brussels Act of 1890 and the St. Germain Convention of 1919. The Berlin Act, most commonly referred to in the context of Anglo-German negotiations, is printed in *B.F.S.P.* vol. 76, pp. 4–20. There is a useful summary and analysis of the Congo Treaties in a letter of February 8, 1938 from Sir O. Sargent to Sir N. Henderson, in reply to a request for information (C 849/184/18/1938).

No. 227

Sir G. Ogilvie-Forbes (Berlin) to Mr. Eden (Received October 8)

No. 602 Saving: Telegraphic [*C 6954/37/18*]

BERLIN, *October 7, 1937*

My telegram No. 610 Saving.[1]

The evening press gives considerable prominence to a letter to the *Times* signed by Lord Noel Buxton, Professor Gilbert Murray, Professor Toynbee and Mr. Vernon Bartlett in which it is proposed to solve the colonial question by placing some of the former German colonies under mandate to Germany.[2]

In short leading articles all the newspapers state that whilst they appreciate the growing understanding of German requirements in England, the solution proposed in this letter is wholly unsatisfactory. The *Berliner Tageblatt* for example says: 'The Leader in his speech at Bückeberg, when he repeated the demand for the colonies, used the word "property". . . Tepid compromises, however well they may be meant, will not advance matters.'[3]

It has of course been quite clear throughout that Germany will not be fully satisfied by a proposal to receive her Colonies back under Mandate. It is unlikely that she would accept such a proposal even if we offered to place the whole of our Colonial Empire also under Mandate. Apart from other considerations the Nazi's [*sic*] in their present frame of mind would not tolerate investigation or criticism of their proceedings by a League organ such as Mandates Commission.

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[1] Should be '601': No. 226.

[2] See *The Times*, October 7, 1937, p. 15. In a speech to the 64th Conservative Conference in Scarborough on October 7, Sir Henry Page Croft M.P. expressed indignation at the letter, and moved a resolution 'that any proposal of this character would be a callous disregard of the rights of property, both national and individual, a treacherous betrayal of all inhabitants of those Colonies, and disastrous to the welfare of our countrymen. . .'. In a minute of October 12 referring to the German press campaign Mr. G. L. McDermott, a Third Secretary in the Southern Department, wrote: 'Messrs. Vernon Bartlett, Gilbert Murray & Co.'s letter in the Times of 7 Oct. on one side, & Sir H. Page Croft's speech at the Conservative Congress on the other, will help to fan the flames.'

[3] See *The Times*, October 4, 1937, p. 14, for a report of this speech of October 3.

No. 228

Sir E. Phipps (Paris) to Mr. Eden (Received October 8)

No. 591 Saving: Telegraphic [*C 6953/3/18*]

PARIS, *October 7, 1937*

My telegram No. 192.[1]

Assistant Political Director stated in conversation this afternoon that a preliminary consideration of the answer to be returned to M. Krofta's question to M. Delbos had shown that, unless German regular troops crossed the Czechoslovak frontier, a German intervention in Czechoslovakia on the pretext of restoring order in the event of an upheaval in the Sudeten district was not automatically covered by the terms of the Franco-Czechoslovak Treaty. But the science of making war without technically resorting to it was making enormous strides daily, and France would be unable to take a merely legalistic view of any German invasion of Czechoslovakia. She could not, however, subscribe in advance to any definite undertakings to intervene herself in circumstances not actually covered by the text of her existing treaty with Czechoslovakia.

These were the guiding principles of the review of the question which was still continuing, no definite decisions having so far been taken. As regards the making public of the eventual decision, M. Massigli said that M. Hodza had suggested the possibility of an interpellation in the Chamber, when the reply would no doubt be in the general sense of the preceding paragraph. But on this point also no decision had so far been reached.[2]

Copy sent to Prague.

[1] No. 221.

[2] Cf. *D.D.F.*, *op. cit.*, Nos. 24, 94, 95.

No. 229

Sir G. Warner (Berne) to Mr. Eden (Received October 8, 6.50 p.m.)

No. 27 Telegraphic [*C 6997/3/18*]

BERNE, *October 8, 1937, 5.50 p.m.*

Your telegram No. 32.[1]

Military Attaché has ascertained that liaison officer between General Staff and Military Attaché who is the most likely officer to have given information to Czechoslovak Military Attaché is absent at Prague. Military Attaché will go and see him on his return next week. His representative knew nothing of any German decision to attack Austria. Chief of the *Austrian* General Staff told the Military Attaché that no developments as regards Austria have so far as he is aware emerged from Signor Mussolini's visit and showed no signs of uneasiness as regards the immediate future.

[1] Not kept in F.O. archives: cf. No. 205, note 5.

Czechoslovak Minister who has just returned from Geneva came to see me yesterday. He said he does not consider present Austrian Government rests on strong foundations and that Austrian Nazis may get the upper hand. He gave no indication however that he thought any move by Germany imminent.[2]

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[2] The British Minister in Vienna, Sir W. Selby, reported in his telegram No. 43 of October 13 that 'enquiries which I have caused to be made in various quarters including the neighbourhood of the frontier have failed to provide any confirmation whatever of report mentioned by Monsieur Blum'.

No. 230

Mr. Eden to Sir R. Clive (Brussels)

No. 51 Telegraphic [*C 6931/181/4*]

Immediate FOREIGN OFFICE, *October 8, 1937, 7.15 p.m.*

Your telegram No. 44 (Saving).[1]

It is quite true that Minister for Foreign Affairs did mention to me at Geneva that the German Government were anxious to make a declaration about their attitude to Belgium, but I am somewhat surprised that matters have appparently already gone so far as you report.

It was well understood between Belgian Government and ourselves after German Chancellor made his statement about Belgium and the Netherlands on January 30[2] that Belgian Government would consult us before taking any further action. Further, on April 22, during negotiation of joint Anglo-French note of April 24,[3] Minister for Foreign Affairs informed Sir N. Charles (see his telegram No. 33)[4] that Belgian Government would not come to any similar agreement with Germany without previously consulting British and French Governments. Such consultation should I feel include prior information to us of the terms of the German Government's declaration.

You should therefore see Minister for Foreign Affairs and remind him of this and say that His Majesty's Government would be glad, if possible, to be informed of the terms of the proposed German declaration before the Belgian Government give their final assent to them.

Have Belgian Government made same statement to French Government as to yourself?[5]

For your own information. It would be embarrassing to us if the German declaration gave the impression that Belgium was accepting from Germany a guarantee against Great Britain and France.

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[1] No. 224. [2] See Volume XVIII, Nos. 132, 156, and 159. [3] See *ibid.*, No. 431.
[4] Not kept in F.O. archives: cf. *ibid.*, No. 440. [5] Cf. No. 224, note 5.

No. 231

Mr. Newton (Prague) to Mr. Eden (Received October 11)

No. 94 Saving: Telegraphic [*C 7026/3/18*]

PRAGUE, *October 8, 1937*

Paris telegram No. 192[1] and Geneva telegram No. 82 Saving.[2]

I asked Minister for Foreign Affairs on October 7th whether he could give me any information regarding his discussions in Paris and those of Monsieur Blum in Prague. I referred to what had appeared in the press but did not mention what French Minister for Foreign Affairs had said to His Majesty's Ambassador.

Doctor Krofta said that during M. Blum's visit to Prague M. Beneš had shown him a report from Switzerland regarding possible German action against Austria and that mention had been made of similar information from Belgium. While Doctor Krofta did not wish to under-estimate German danger reports of this character often appeared predicting a putsch in the fairly early future. He himself did not attach great importance to them and he did not think M. Beneš did so either. Doctor Hodza who was less hardened to them had been more perturbed and suggested that present treaty between France and Czechoslovakia of 1925 should be strengthened and made more specific.

The Minister for Foreign Affairs had accordingly examined treaty position with a view to seeing to providing for immediate French assistance in the event of any aggression. In accordance with some precedent in Russian treaties definition of aggression might include foreign intervention of the kind feared in internal troubles. (He could not give me particulars offhand but was perhaps referring to Conventions for definition of aggression in Moscow despatch No. 535 of 1933).[3] Doctor Krofta however doubted whether any further treaty provision would substantially affect real position. When an emergency came France would in fact support Czechoslovakia against aggression if—and only if—she felt compelled in her own interest to give such support. In his subsequent discussions in Paris which were merely incidental to a visit which he had some time previously arranged to make to the Paris Exhibition Doctor Krofta had not therefore insisted on any additional treaty engagements. He would be satisfied with an assurance that France would in fact assist Czechoslovakia in the event of German aggression. It was under consideration that this assurance should be given in reply to an interpellation in the Chamber. Such a statement would both deter Germany from adventures and reassure public opinion in Czechoslovakia.

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[1] No. 221.

[2] No. 205.

[3] Not printed: see Volume V, No. 183, note 1, and Volume VII, Nos. 523–27. The Conventions are printed in *B.F.S.P.*, vol. 136, pp. 545–8, 632–3, and 754–5. Mr. Strang thought that Mr. Newton was right in assuming that the 'Russian treaties' referred to by M. Krofta were the conventions of 1933 for the definition of aggression in N 7232/130/63, of 1933. He remarked: 'Under Article 2 of these Treaties an aggressor is a State which has committed one of a number of acts, among which is the affording of help to "armed bands which, formed on its territory, invade the territory of another State"; or a refusal "notwithstanding the request of the invaded State, to take upon its own territory all measures in its power to deprive the said bands of all aid or protection".

In Article 3 of these Treaties it is said that no consideration of a political, military, economic or other character may serve as an excuse or justification for such aggression. In the Annex to Article 3 it is said, among other things, that no such act of aggression can be justified by the internal situation of a State, such for example as "disturbance resulting from strikes, revolutions, counter-revolutions or civil war".

The Czechs seem to have these Treaties very much in mind. M. Benes, at Geneva in 1934, tried to suggest, by analogy, that Hungary had been guilty of aggression against Yugoslavia by her action or her negligence in connection with the formation and activities of armed bands which resulted in the assassination of King Alexander. W.S. October 13th, 1937.'

Doctor Krofta mentioned that a repetition of public statement of interest of His Majesty's Government in Central Europe would of course be welcome[4] but he only brought this in incidentally without making any actual request. President Roosevelt's recent declaration[5] had, he said, been greatly appreciated in Czechoslovakia as a moral support.

Minister for Foreign Affairs said nothing to me of a loan or of a treaty of mutual assistance between France and Little Entente so I refrained from curiosity on those subjects.

Repeated to Paris, Vienna, Berlin.

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[4] See No. 221, note 3.

[5] See No. 222.

No. 232

Mr. Newton (Prague) to Mr. Eden (Received October 11)

No. 95 Saving: Telegraphic [*C 7031/3/18*]

PRAGUE, *October 8, 1937*

My immediately preceding telegram.[1]

Minister for Foreign Affairs does not seem to be any more apprehensive of danger from Germany than when I saw him on September 18th just before Monsieur Blum's arrival at Prague. Moreover during audience which President of the Republic gave to Lord Winterton[2] and myself on September 20th Monsieur Beneš maintained his usual optimism as he did again, according to French Minister here, in conversation with him on October 1st, after Monsieur Blum's departure. Monsieur Beneš also told editor of *Spectator*, Mr. Harris, on October 6th that he did not anticipate that Germany would be ready for aggression for two years. In conversation reported in my immediately preceding telegram Dr. Krofta points out that there was no analogy between the case of Czechoslovakia and that of Spain where 90 per cent of the army had revolted. In Czechoslovakia the Government was strong and the army loyal and strong enough to deal with any local internal trouble or unsupported putsch from abroad.

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[1] No. 231.

[2] Lord Winterton, Chancellor of the Duchy of Lancaster, represented His Majesty's Government at the funeral of Dr. Thomas Masaryk: see No. 205, note 2.

In the face of official optimism anxiety has however undoubtedly been widespread and chronic in Czechoslovakia ever since Germany re-occupied the Rhineland.

In the course of our conversation Dr. Krofta also said that Czechoslovak Government were prepared for (*rechnete mit*) closer relations between Germany and Austria one day. Such a tendency had existed from the beginning and had been retarded rather than accelerated by advent of Nazi régime. The delay was welcome as it gave Czechoslovakia further time to consolidate her own position.

Repeated Paris, Berlin and Vienna.

No. 233

Mr. Eden to Sir E. Phipps (Paris)

No. 1905 [*W 18736/7/41*]

FOREIGN OFFICE, *October 8, 1937*

Sir,

The French Ambassador asked to see me this morning when he said that he wished further to define to me his Government's attitude to the Spanish situation as it now presented itself.[1]

2. If the Italian Government were to reply to our Note[2] by saying that they wished to have a meeting of the four Powers including Germany, then His Excellency considered that it would be impossible for the French Government to accept such a proposal. The Polish Government had already made it clear to them that they would have strong objection to a meeting of four Powers only in the present grave international situation and of course if once Germany were introduced it was impossible to see how other Powers, notably Soviet Russia and Portugal, could be excluded. The French Government, however, had every desire to be very conciliatory about procedure. They would have no objection to foregoing a formal conference and confining themselves to conversations through the diplomatic channel. They did not, however, think that the Non-Intervention Committee was a possible solution. The French Government were ready to discuss the question of belligerent rights, nor did they exclude the granting of such rights at a certain stage. Indeed, for them the essential was that the Italian Government's reply should contain some indication of good faith. If this were so the French Government would be at once willing to co-operate by any method which seemed appropriate, but they could not allow themselves to be involved once again in endless controversy which led nowhere.

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[1] For M. Corbin's instructions see *D.D.F.*, *op. cit.*, No. 34.

[2] No. 216.

If the Italian reply were to amount to a flat refusal then, as I would be aware, it was the present intention of the French Government to open their frontier for the transit of arms to Spain. They would prefer to make their position plain frankly and regularly in the Non-Intervention Committee. They would wish to make a statement there which would be very carefully drawn and they would hope that H.M. Government would express full solidarity with the French Government in support of their statement. The French Government considered it most important that nobody should have a pretext for claiming that there was a divergence of view between our two countries. The French Government quite appreciated that our statement might not be exactly the same as theirs, but they did earnestly hope that it would correspond in character and would have a similar conclusion. It was the intention of the French Government that their position in respect of the frontier should be presented as being temporary: if the situation were changed, if a measure of control were reimposed, then the French Government were prepared to shut the frontier again.

3. The French Government were very gravely preoccupied with the possibilities now existing of an extension of the Spanish conflict, quite apart from the question of the frontier. The Italians had already established themselves in Majorca and preparations were now in progress for an attack on Minorca. If such an attack were to take place a still graver situation would be created. The French Government had not yet come to a decision as to whether they should take any action and if so what in connexion with Minorca. The Ambassador wished us to appreciate that the Italian occupation of Minorca would be even more serious for France than the occupation of Majorca. Minorca lay directly on the French line of communication between north Africa and the home country. The French Government had, therefore, been considering whether there was any preventive action they could take which would forestall the Italian occupation of Minorca. I remarked that it was not quite apparent to me what preventive action the French Government could take except the occupation of Minorca on their own account—was that what the French Government meant? I was only asking because I was anxious to be clear as to what was in their mind and I had seen that M. Delbos had spoken to you of 'gages'. The Ambassador deprecated that term, but repeated that the French Government had by no means made up their minds what action, if any, might be possible. The question would require careful thought, but there was always the possibility that the French might in their turn allow 'volunteers' to go to Minorca.

4. I replied that I was as preoccupied as the Ambassador could be about the general situation in Spain, but I gave His Excellency no reason to think that the policy of preventive occupation would be one which we could support. We agreed that it was useless to attempt to carry further a discussion of the Spanish situation until the Italian reply was received. I told M. Corbin that after that reply was received it would be necessary for me to await a meeting of the Cabinet before I was in a position to tell him with authority the views of

H.M. Government on the grave situation which must, I feared, inevitably arise were the Italian reply to be negative.

I am, etc.,
ANTHONY EDEN

No. 234

Mr. Eden to Sir E. Phipps (Paris)

No. 1906 [*C 6994/3/18*]

FOREIGN OFFICE, *October 8, 1937*

Sir,

During the course of my conversation with the French Ambassador this morning[1] His Excellency spoke of the situation in Central Europe. He remarked that M. Blum had told Lord Cranborne of certain reports that M. Beneš had made to him during M. Blum's visit to Prague as representative of the French Government at the funeral of M. Masaryk.[2] M. Blum had been impressed by the fact that the Czechs, who had hitherto been almost blindly optimistic, were now gravely preoccupied by the situation. The French Government were also not without their anxieties. If, for instance, some conflict were to develop in Czechoslovakia, ostensibly between *Sudetendeutsche* and the Czechs, promoted by Germany, and if at a later stage the Germans themselves intervened even with irregular forces, it would be difficult for France to deny that her Treaty obligation came into force. If that obligation were in force and France was therefore compelled to take action, then the French Government would wish to know what our attitude would be. The Ambassador added that he did not suppose that I could tell him.

2. I replied that His Excellency was right in that supposition. It would certainly not be possible for me to forecast now our attitude in such hypothetical circumstances. M. Corbin clearly expected my reply[3] and added that he thought that the important thing was that he thought that no encouragement should be given to Germany to start any adventure in Central Europe. M. Delbos thought it would be very helpful in steadying the situation if I could repeat such a declaration as I had made from time to time in the past that H.M. Government were interested in events in all parts of Europe. I replied that I would consider it—it was of course a perfectly accurate statement of fact since in the state of the world to-day it was extremely difficult to localise any conflict and we had not forgotten the origin of the war of 1914. At the same time I should have to consider carefully whether I could repeat any of the statements I had previously made: up to the present I had not been convinced of the utility of doing so since if statements were too often repeated they were apt to become less rather than more effective. Meanwhile, I had seen M. Blum's record of his conversation with Lord Cranborne and we were seeking to obtain reports from our representatives. My present impression was

[1] See No. 233.

[2] Cf. No. 205.

[3] Cf. *D.D.F.*, *op. cit.*, No. 41.

that there was more reason to be anxious about Austria than about Czechoslovakia.[4]

I am, etc.,
ANTHONY EDEN

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[4] Minutes by Mr. Strang and Sir O. Sargent were as follows. 'The S. of S. is considering whether to make some statement, in general terms, about our interest in Central Europe in his speech at Llandudno this week. W. Strang. 12/10.' 'The S/S did not refer to Central Europe in his Llandudno speech [October 15]. Perhaps another occasion will present itself shortly . . . O. G. Sargent. Oct. 16.' Mr. Eden gave a full report of his speech at Llandudno in *Facing the Dictators*, *op. cit.*, pp. 472–4.

No. 235

The Earl of Perth (Rome) to Mr. Eden (Received October 9, 9.30 a.m.)

No. 597 Telegraphic [*W 18775/7/41*]

ROME, *October 9, 1937, 1.15 a.m.*

Sir E. Phipps' telegram No. 191.[1]

I am alarmed at Monsieur Delbos's suggestion for *prise de gages*.

Apart from 'intervention' point, the occupation of Minorca by the French would be certainly held by the Italian Government to constitute an alteration in the Mediterranean status quo and therefore in contradiction to Mediterranean declaration of January last.[2] Italy would hold that the French could not make such a move without our consent. Further it seems to me that if the Italian intention is to establish themselves firmly and permanently in Majorca (which I do not believe) would not the occupation of Minorca play right into Italian hands and give them an adequate cover for such a policy; and indeed have exactly the contrary result to that which Monsieur Delbos desires to obtain?

[1] No. 220.

[2] See Volume XVII, No. 530.

No. 236

Sir R. Clive (Brussels) to Mr. Eden (Received October 9, 1.45 p.m.)

No. 58 Telegraphic: by telephone [*C 6998/181/4*]

BRUSSELS, *October 9, 1937*

Your telegram No. 51.[1]

I have just seen the Minister for Foreign Affairs and reminded him of his promise to consult us before agreeing to text of German declaration. He said he would have the text in course of tomorrow and I have arranged to see him at 9 a.m. October 11th when he will show it to me and discuss it. Meanwhile

[1] No. 230.

he hoped tomorrow evening to send through Belgian Embassy a personal letter to you enclosing text.

I said that it might be embarrassing if the German declaration gave the impression that Belgium was being guaranteed against an attack by Great Britain and France. He quite understood this and hoped you would find the declaration unobjectionable.

His Excellency told me that he had made similar communication to the French Government October 6th.[2]

[2] See No. 224, note 5.

No. 237

The Earl of Perth (Rome) to Mr. Eden (Received October 9, 6.20 p.m.)

No. 602 Telegraphic [*W 18784/7/41*]

ROME, *October 9, 1937, 4.30 p.m.*

My immediately preceding telegram.[1]

Count Ciano asked French Chargé d'Affaires and myself to come to see him this morning and handed us the Italian reply, see my immediately preceding telegram, to note which we gave him on October 2nd.

When I came to the passage referring to Monsieur Azcárate's recent speech[2] I asked him whether he had obtained the text of that speech. He said that he had it from Geneva and observed that he had noticed that different interpretations had been given to it by the press but this was a question of interpretation. I did not press him further on the point because no great stress is laid on the speech in the note.

When I came to the last paragraph[3] I enquired whether the principle laid down was of general application or solely for this special case.

Minister for Foreign Affairs replied that it was the latter. Monsieur Blondel made no observations.

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[1] This telegram, No. 601 of October 9, gave the text of the Italian Government's reply to the Anglo-French joint note of October 2 (No. 216). The Italian reply, not printed here, was printed in Cmd. 5570 (see No. 216, note 2) and in the press (see *The Times*, October 11, 1937, p. 13). The essence of the Italian message was that the Fascist Government did not consider that the procedure proposed would obviate the difficulties of the question of the volunteers and their withdrawal which had occurred in the Non-Intervention committee. 'The Fascist Government are therefore of the opinion that the question of non-intervention should continue to be dealt with at the London Committee.'

[2] Presumably a reference to Señor Azcárate's speech to the 11th Plenary meeting of the League Assembly on October 2: see *L/N.O.J.*, *Special Supplement No. 169*, pp. 105-6. Señor Azcárate, Spanish Ambassador at London, was acting as substitute Spanish delegate at the League.

[3] This said: 'The Fascist Government have finally the honour to state that they will not participate in conversations, meetings or conferences to which the German Government have not been formerly invited and in which they do not participate.'

No. 238

Letter from Sir N. Henderson to Mr. Eden

[C 7027/270/18]

Very Confidential LONDON,[1] *October 10, 1937*

Dear Secretary of State,

I mentioned in the despatch reporting on my visit to Nürnberg[2] that General Goering had invited me to stop with him at Rominten, his shooting lodge in East Prussia, and had indicated that he might be able to give me there the answers to the two questions I put to him in the memorandum I left with him last July[3] namely (a) as to the specific cases in which Germany regarded England as 'hemming her in' and (b) as to Germany's political aims.

I went to Rominten on October 3rd. and spent two days there. Goering proved an admirable host from a social and sporting point of view but I did not get written replies to my two questions. I never really imagined that I would get the second in writing: it was a little too much to expect. However I had a long talk with him one morning and I give you the gist of it in the accompanying memorandum. There is nothing very new about it, nor does it go into any detail. But it is confirmatory and the main lines of Germany's programme are, all other things being equal, quite clear. I should sum them up as follows: 1st objective, Austria. Once Austria becomes united in some form or another to the Reich, a settlement as regards the *Sudeten Deutschen* becomes merely a matter of time and opportunity. The loose ends, Dantzig, Memel, the Corridor and small rectifications are less important but also definite objectives coming under the heading of 'the consolidation of all Germans into one German state'.

It is not a pleasant prospect for Secretaries of State or diplomats, present and future. About the best that can be said (but an uncomfortable best at that) is that today Germany is sufficiently conscious of her own strength to be prudent. She does not seek for any immediate adventure, which might upset the immense gains she has made in the last 4 to 5 years. But in 18 months' time Germany will be even stronger than she is today and probably (in spite of our own greater strength) even less tractable. And anyway of Hitler's fixed resolution to achieve German unity, there is no possible doubt whatsoever. If Neurath or another were to come to London it would, I think, be useless if we were not prepared to discuss the above points of Germany's programme. In my opinion, if we did so, colonies should come after and not before.

Yours sincerely,
NEVILE HENDERSON

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[1] Sir N. Henderson spent some time in London during October after his visit to General Goering described in the present letter.

[2] See No. 160, Annex IV.

[3] See No. 52.

ENCLOSURE IN No. 238

Memorandum of a conversation with General Goering at Rominten, October 4, 1937

I began by asking General Goering whether he had spoken to Hitler on the subject of the points raised in my memorandum of July last. Goering said that he had and produced the memorandum itself.

I had, he said, asked him firstly to quote cases of instances in which H.M. Government indicated their determination to hem Germany in. It was, he said, not so much a matter of concrete cases as of a whole 'mosaic'. In every question England was always on the opposite side to Germany, Spain, Austria, communism etc. Could there never, he added rather plaintively, be a conference at which England could be found on the same side as Germany? All this was not a matter which it was worth putting in writing. The past was the past and it was more worth while looking to the future.

As regards the second point, Germany's aims, this was also not suitable for a written communication; and he gave the inadequate reason that the F.O. was so intimate with the Quai d'Orsay that anything written would at once become public property. Germany's aims were, he said, summed up in Art. 1 of the programme drawn up in 1920 and adopted in 1932 by Hitler as the unalterable programme of the Nazi party. 'We demand the consolidation of all Germans into one great German State by reason of the right of nations to self-determination.' The unity of Germany was the declared aim of the Nazi Government. That did not mean where Germans were living in real minorities but where they were living in united national blocks immediately on the German frontiers such as Austria and the *Sudetendeutschen* in Czechoslovakia. When I asked how they proposed to acquire Austria if the latter did not wish herself to enter the Reich and used by mistake the word 'erobern' which means to 'conquer' instead of to 'acquire', he replied that there would be no question of 'conquering' Austria or of any means other than peaceful ones (the Nazis profess to believe that, if there were a really free plebiscite in Austria, 80% of the [population]—at any rate outside Vienna—would vote for Germany).

General Goering then turned to the question of an understanding with England which he said that he and Hitler desired above everything else—the only other alternative being ultimately Russia. Germany's army, Britain's fleet and their joint air forces could ensure peace in the world as no other combination could. And peace was what Germany wanted just as much as England. The Nazi internal programme extended for a generation ahead and none of those who had fought in the last desired to fight in another war which would be the end of Europe, the ruin of civilization and only benefit the Slavs and the lesser races of Eastern Europe and Asia. It was entirely Germany's fault that England had come in against her in the world war. The Nazis admitted that quite frankly. The refusal of Britain's peace-offers, the Emperor's navy and the invasion of Belgium had been Germany's mistake. But it would be England's fault if she had to fight Germany again, for this time it was Germany who was offering peace. Moreover, now that Germany was strong again, all the advantages of an Anglo-German understanding would be on the side of England. All that Germany asked was an assurance that Great Britain would not stab her in the back if she was attacked in the East.

Goering then repeated the bases of an understanding as he had outlined them to me at Nürnberg. Two articles, he said, would be sufficient. In the first Germany would recognize the special position of Great Britain and the British Empire and would undertake to join in no combination directed against their security. In the second Great Britain would recognize the geographical position of Germany in Central Europe and would undertake to join in no combination directed against her unity.

Up to this point Goering had not once mentioned colonies, so I said to him that I presumed that an understanding would not be complete without some reference thereto. Goering replied that Germany was determined to get colonies and must have them but that, if we reached an understanding as above, she would undertake to attempt no solution of the colonial question without consultation and agreement with Great Britain. He added, as he has done before, that it was not the British colonies which Germany wanted, and he hinted that Portugal might be induced to sell hers or part of them to Germany.

I asked Goering whether, if we reached an understanding, Germany would then be willing to limit her armaments or at least to reduce the tempo of rearmament. Goering replied at first that for a year all restriction would be impossible but eventually said that if an agreement was reached, a new situation would be created and Germany would be prepared to discuss the question.

I also asked whether Germany would then be ready to return to the League of Nations. Goering again replied at first that she would certainly not go back to Geneva before she had achieved her unity. She would merely be opposed there by France and France's allies. If however Article XVI of the Covenant were modified he admitted that a new situation would be created and that Germany would be prepared to take stock of it.

A point made by Goering was that an understanding with England could not mean Germany leaving Italy in the lurch any more than it would England leaving France in the lurch.

At the end I asked Goering whether I could take all that he had said to me as having the approval of Hitler himself. He replied that in principle this was so, though he could not guarantee absolutely everything and he suggested arranging a meeting for me with Hitler and himself. As the utility of such a meeting depends entirely upon the attitude of H.M. Government I did not comment on this suggestion.[4]

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[4] Sir O. Sargent minuted on October 19: 'I hope this conversation was not so "unilateral" as it appears to be from Sir N. Henderson's account . . . In particular, I hope he reacted strongly to Goering's allegation that Germany had cause to complain of British policy because she suspected that Great Britain would stab her in the back if she were attacked in the East.' He suggested that if Sir N. Henderson had offered no defence to such allegations, the idea that he

should have a meeting with Herr Hitler should be acted upon. Sir A. Cadogan agreed (October 20): 'If Sir N. Henderson correctly reports Gen. Goering as saying "All that Germany asked was an assurance that Great Britain would not stab her in the back if she was attacked in the east" and if, as appears from the record, Sir Nevile let this pass without comment, then I am afraid he misunderstood the principal object we had in mind in promoting this conversation. The whole intention was to pull the Germans up and to stop them making baseless complaints and insinuations.'

Sir. R. Vansittart wrote (October 20) that he had spoken to Sir N. Henderson who said that his accounts of conversations both at Nuremberg and at Rominten 'were mainly limited to what his interlocutors had said. He thought it would be a waste of space to say what he had said'. Sir R. Vansittart replied that he 'did not think so at all and that that interested us vitally. . . What we really told Sir Nevile Henderson to do was to challenge General Goering on a most unwarranted statement that [he] had made about British obstructiveness. No effective challenge has in fact been made. . .' Drafts were prepared on Mr. Eden's instructions, giving guidelines for a meeting between Sir N. Henderson and Herr Hitler, but according to a note by Mr. Strang of November 11 all action was suspended on instructions from Mr. Chamberlain: cf. No. 272 below. See also No. 504 below.

No. 239

Minute by Mr. Strang on the proposed German declaration regarding Belgian neutrality

[C 7019/181/4]

FOREIGN OFFICE, *October 11, 1937*

Sir R. Clive is seeing M. Spaak this morning and will receive from him a copy of the draft within, together with M. Spaak's own explanations and commentary.[1]

Meanwhile, the Counsellor of the Belgian Embassy came to see me this morning and said he would like, in a personal way and 'off the record', to talk to me about this draft.

He said, either spontaneously or in reply to my questions, that there had been contacts between the Belgian and German Governments on this question off and on since Herr Hitler's declaration on January 30th, 1937.[2] The Belgian Government, had, however, decided that pending the conclusion of a Western Pact, of which there was no immediate prospect, it would be useful to have, as a provisional arrangement, a declaration from the German Government of the kind embodied in this draft. It could when the time came, be made part and parcel of a Western Treaty. Belgium's main consideration, however, was to have a definite statement from Germany—another 'scrap of paper', if we liked to call it so—which would place them in the same moral position as in 1914 in the event of German aggression.

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[1] See No. 236. Sir R. Clive reported in telegram No. 60 of October 11, received in the Foreign Office at 4.15 p.m., that he had been given a copy of the draft declaration but was not telegraphing it to London as the Belgian Counsellor of Embassy in London had already given Mr. Eden a copy of the text together with an explanatory letter from M. Spaak. Both the letter and the declaration are printed in *D.D.B*, *op. cit.*, Nos. 242 and 247, and are not reprinted here. The German declaration is printed in *D.G.F.P.*, *op. cit.*, No. 475. Copies are also filed at C 7019/181/4.

[2] See Volume XVIII, No. 132.

Both the Belgian and German Governments have agreed to the present text, and it is the intention that it shall be signed quite soon, probably about the middle of this week.

Vicomte de Lantsheere said that he wished to draw my attention to two points:

The first was the word 'concourrait' at the end of paragraph 2 of the declaration. This word had been carefully chosen in order to indicate (and this interpretation was agreed upon by both the Belgian and German Governments) that it was only in the event of actual participation by Belgium in military action against Germany that Germany would regard her undertaking not to violate Belgian integrity and to respect her territory as no longer binding upon her. The participation by Belgium in economic action against Germany was not to be regarded as entitling Germany to release herself from her undertaking, but on the other hand the granting of passage to foreign troops through Belgium under Article 16 of the Covenant would be so regarded.

Vicomte de Lantsheere's second point was that paragraph 3 of the declaration had been so drafted as not to contemplate in terms the possibility of aggression by Great Britain or France against Belgium. In any event, the fact that the German Government merely stated that it was "prêt. . . à accorder assistance à la Belgique" made it clear that this assistance would not be granted unless Belgium asked for it and was very far from being a direct and immediate guarantee such as Belgium enjoyed from Great Britain and France under the Locarno [*sic*].

So far as paragraph 2 is concerned, it is probable, I think that the present draft falls short of what the German Government wanted. Their object has been, as is made clear by their memorandum of March 10th[3] last, that Belgium should undertake, in the case of any conflict breaking out between the guarantor Powers, not to give military support to any of the parties. Belgium, in the present draft, gives no such undertaking. All she does is to allow the Germans to say in a document, of which she takes note with great satisfaction, that if she does become involved in military action against Germany in a conflict in which Germany is engaged, Germany will no longer be bound by her undertaking of non-aggression. I do not think we could legitimately take exception to this.

But it is somewhat less orthodox when a member of the League agrees with a non-Member State that action which may be binding upon them under the Covenant (i.e. to afford passage through their territory to the forces of any of the members of the League which are co-operating to protect the Covenants of the League) absolves the non-Member State from its undertaking of non-aggression vis-à-vis that member of the League. But whether or not it is orthodox, it is certainly what one would expect to happen in practice. Here again I doubt whether we should be wise to make any comment. In the joint Anglo-French declaration of April 24th,[4] we took note of the 'renewed assurances of the fidelity of Belgium to the undertakings of the League of

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[3] Volume XVIII, No. 280.

[4] See *ibid.*, No. 431.

Nations, and to the obligations which it involves for members of the League'. The most we could do would be to ask Belgium to assure us that nothing in her exchange of communications with Germany runs counter to those assurances.

As regards paragraph 3, whatever the Belgian Government may say, it is clear that Germany's promised statement of her readiness to grant assistance to Belgium does, in fact, contemplate the possibility of attack by France or Great Britain. For it is geographically hardly likely that Belgium could be attacked by anyone else, except perhaps Holland. Little as we may like this, I do not think we should be able to get it changed.[5] The Belgians have done their best to gild the pill.

For the rest, paragraph 1 (b) of the German declaration repeats the terms of paragraph 3(1) of the Anglo-French declaration. Paragraph 1(a) of the German declaration, about Belgium's policy of independence, does not appear in the Anglo-French declaration. On the other hand, the German declaration contains nothing corresponding to paragraph 3(2) of the Anglo-French Declaration about Belgium's fidelity to the League.

Belgium's acknowledgment of the German declaration is in the same terms as her acknowledgment of the Anglo-French declaration.

[5] Sir O. Sargent and Sir R. Vansittart in minutes of October 12 both felt that the Belgians should at least be pressed to accept some amendment of Article 3, which read 'Le Gouvernement du Reich est prêt, comme le Gouvernement royal britannique et le Gouvernement français, à accorder assistance à la Belgique, dans le cas où elle serait l'objet d'une attaque ou invasion'. Sir R. Vansittart felt that 'we are entitled to be annoyed with the Belgian Govt.'s complete lack of frankness, and shd. show a clear sign of it . . . We shd. tell the Belgians *today* that we have amendments to propose & that we assume there will be no signature till these have been considered'.

However, at 6.20 p.m. that evening Sir R. Clive telephoned that owing to premature leakage the date for the announcement of the German declaration had been brought forward to October 13, 11 a.m. Belgian time. In telegram No. 53, telephoned to Brussels at 9 p.m. on October 12, Sir R. Clive was instructed to get in touch with M. Spaak as soon as possible to express surprise and disappointment at this news and to urge the adoption of the amendment to Article 3 so as to omit the words 'comme le Gouvernement royal britannique et le Gouvernement français'. The final version of the declaration remained unchanged: cf. No. 242 below.

No. 240

Mr. Eden to Sir E. Phipps (Paris)

No. 1925 [*W 18939/7/41*]

FOREIGN OFFICE, *October 12, 1937*

Sir,

The French Ambassador asked to see me this evening when he said I would no doubt have received from Sir Eric Phipps an account of his interview with M. Delbos.[1] He wished now to give me a summary of the situation as it appeared to the French Government and an account of the proposals they wished to make to us for dealing with it. First he would deal with the conclusions which the French Government had come to about the Italian Note.[2] That Note could hardly have been more negative in essential points. It ruled out, though in the most friendly manner, each of the proposals that were made. The Italian Government refused to admit that the settlement of the problem of foreign nationals in Spain was an urgent necessity; they sought to widen the whole scope of the discussion and suggested that the London Committee should seek to deal with the subject without previous consultation between the Powers principally concerned. It was difficult to escape therefore the conviction that the Italian Government hoped that the same difficulties would arise once more as had prevailed in the Committee last July. It seemed to be their desire to gain time in order perhaps to proceed to the despatch of more aeroplanes and men to Spain. If we were to prolong negotiations, then, in the view of the French Government we should be favouring this manoeuvre. In such a situation there were two alternatives open: either to notify through the diplomatic channel our decision—whatever that might be—or to go back to the Non-Intervention Committee. As regards the first alternative, the French Government saw some inconvenience in following it. They were fully alive to the emphasis I had laid in my previous interview with M. Corbin[3] upon the importance of justifying their attitude before world opinion. They did not wish to appear to bear the responsibility for breaking up the Non-Intervention Agreement. Therefore, the French Government were prepared to adopt the second alternative and to go back to the Non-Intervention Committee.

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[1] In Paris telegram No. 199 of October 11 Sir E. Phipps reported that M. Delbos had read to him a summary of the instructions being sent to M. Corbin for his interview with Mr. Eden: see *D.D.F.*, *op. cit.*, No. 55.

But if this was to be done it was essential to put before the Committee firm and decisive proposals which should be as clear as possible and in respect of which we should ask for an answer in a short time. The French Government would like to ask for a meeting of the Committee on the 15th of this month. At that Committee both Governments would make in the same spirit a statement of the situation which would come to identical conclusions. They would recall the failure of the negotiations of last July and emphasise the importance of making a further effort to come to a settlement. They would recall certain facts which could not unhappily be contested. First the Italian Government had since last July proclaimed publicly their solidarity with one side of the contest in Spain, despite their undertaking of non-intervention and had gloried in the victory of Italian armies in Viscaya. This had created a situation which must be referred to. Nonetheless, our statements would continue, in spite of this and of the preparations in Italy for the despatch of more men to Spain, in respect of which information had reached the French Government, they had decided to take advantage of the Nyon Agreement[4] and of the assurances offered by the Italian representative at Geneva to M. Delbos,[5] to propose to the Italian Government preliminary conversations; as a result of which it was hoped that it would subsequently be possible for the London Committee to reach results. This procedure had seemed to the

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[2] See No. 237. [3] See No. 233. [4] See No. 156. [5] See No. 188.

French Government and to ours normal and reasonable. Our statements would go on to mention that in the interval of waiting for a reply further reports had reached us of further arrivals of Italian aeroplanes in Majorca and of the alleged bombing of Spanish harbours by Italian aeroplanes. Both Governments found themselves confronted by these reports which further aggravated the situation when the Italian reply had arrived.

Our statements, having thus given an account of the situation up to date would then explain that it was not possible for our two Governments to agree that the situation could drag on any longer in useless discussion, therefore we had thought it necessary to formulate precise proposals and ask the Governments represented at the Non-Intervention Committee to come to conclusions as quickly as possible upon them. The Ambassador explained that in the view of the French Government not more than three or four days should be required to do this. We should then ask the Governments to agree:
(1) to take up the British proposal of last July and to state that the principle of that proposal was definitely acceptable to them. (I asked at this point whether the French Ambassador had any information as to the Russian attitude. M. Corbin replied that pressure was being applied to Moscow to induce the Soviet Government to modify their attitude. He would let me know as soon as he received any reply.)[6] In asking the Governments to agree in principle to the British scheme we should make it clear that it was understood that the granting of belligerent rights could be considered when the London Committee thought that the work of the withdrawal had made effectively [*sic*] progress.
(2) The Powers should be asked to agree that an immediate start should be made with the withdrawal of a number of volunteers. The proportions should be roughly taken into account. It would be agreed that not more than a fortnight should elapse between the date of the agreement and the beginning of the first withdrawal. The Governments on the Committee undertook to use their influence with the Governments of Valencia and Salamanca to secure their agreement. I reminded the Ambassador of the difficulties which had been met with in the past with this question of proportion. What were the views of the French Government? The Ambassador replied that he did not think we ought to make great difficulties over this at the start—it would surely be fair if we asked for the withdrawal of three of Franco's side as compared with two from Valencia. If that was our view of a just proportion it would be probably wise to ask for a proportion of two to one to start with.
(3) The Governments should undertake to send no more volunteers and should agree to the principle of a reinforced system of control. I understood that the French Government meant by this last proposal the suggestions which had been submitted to the Non-Intervention Committee by its Board of Control.

These would be the proposals which the Committee would be asked to accept. It should be clear, however, that if these three proposals were not accepted then both Governments would take a decision not to assent to prolonged discussions. I asked the Ambassador whether this decision was to be announced at the Committee or was only to be an understanding between ourselves. The Ambassador said that he understood that it should be announced at the Committee, but he would confirm this. We would further state that if these proposals were not accepted then the two Governments would consider that in so far as concerned themselves the observance of the Non-Intervention Agreement was suspended. They would make it clear that such suspension would be brought to an end and the policy of non-intervention resumed as soon as the causes for which this step had been taken had been removed. At the same time the Ambassador explained that in the view of the French Government it was desirable to decide in advance what attitude we should adopt in the event of this decision having to be taken. They considered it essential that we should act together. The French Government contemplated that we should both take identical steps and that we should authorise temporarily the transit of arms to the Spanish Government through our own countries and from our own countries. This authorisation would exclude only war material which was the property of the State. I remarked to the Ambassador that I would of course report what he had said to my colleagues and that I would require time to consider these proposals, but on his asking for my personal impressions I remarked that it seemed that the French Government were asking more from us than I had understood to be their intention at our last interview. While I thought the French Government were wise in taking the Italians at their word and going to the Committee, I thought at the same time that it was asking a lot of us to suggest that if we failed in this attempt then non-intervention as a whole must be at an end and arms supplied to Spanish Government only. He must know how much attachment there was to this policy of non-intervention in this country. On the other hand, if this final attempt to secure progress in the Committee were to fail, I thought the French Government would be justified if they decided to allow the transit of arms across their frontier to Spain, but it was one thing to ask us to endorse that decision and another to ask us to take similar action to that which the French Government might decide upon in respect of the export of arms to Spain.

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[6] Cf. *D.D.F.*, *op. cit.*, No. 87.

The Ambassador admitted the distinction which I had drawn, but said that his Government attached the greatest importance to acting with us. They had put forward these proposals which seemed to them reasonable in the conditions. He wished to emphasise that in their view the question was whether we were to go on allowing the Italians to abuse the Non-Intervention Agreement indefinitely or whether we were going to try to put a stop to that state of affairs. He feared that if we did not make a real attempt to better the situation then we should come to a period of even greater difficulties.

His Excellency went on to explain that what he had said dealt with the problem of non-intervention. There was another problem—that of security in the Mediterranean in respect of which we were justified in acting apart from the Non-Intervention Committee and in accordance with our own vital interests. The French Government were gravely pre-occupied at the signs they saw of a impending attempt on Minorca. The French Government felt that they must be ready for some such development as the Italian Government might create in that island which would have very grave consequences for them. They therefore suggested that the Franco-British naval forces should create a concentration of strength in Minorca. It would be all the more easy for them to do this because Minorca was in the French area of supervision under the Nyon Agreement and the French Government had already instructed their naval staff to get into touch with the Admiralty. The Ambassador said the intention of the French Government was to take some action as a deterrent to prevent Italian occupation of Minorca which, he repeated, must create a very serious international situation. In this connexion I would be well aware of the importance of the French communications with North Africa.

I replied that I appreciated fully French anxieties in respect of the Balearic islands, at the same time, I was not quite clear how this joint naval concentration was to meet the situation. What did the French Government propose that we should say if General Franco were in due course to notify us that he proposed to attack Minorca and asked us therefore to remove ourselves from the island so that our ships might not be involved in the attack? Was it then intended that we should either refuse to go or else remove ourselves? There seemed no third alternative.

The Ambassador was not able to answer these questions which he undertook to refer to his Government. He remarked, however, that the apprehensions of the French Government were not of an occupation by General Franco but of an occupation by Italy.

I replied that I found it hard to believe the attack on Minorca, if it came, would take the form of a direct attack by Italy. It was hardly conceivable that Signor Mussolini would send a Division direct from Genoa to take Minorca. On the other hand, it did seem likely that some attack might take place from Majorca.

I undertook to consider carefully the French Government's preoccupations in this respect, though I gave the Ambassador no grounds to think the particular proposal he put forward in respect of Minorca would be one which we could endorse.

I am, etc.,
ANTHONY EDEN

No. 241

Sir G. Ogilvie-Forbes (Berlin) to Mr. Eden (Received October 13, 1.10 p.m.)

No. 245 Telegraphic [*C 7082/181/4*]

BERLIN, *October 13, 1937, 12.40 p.m.*

Mr. Strang's minute of October 9th.[1]

Belgian Counsellor informs me that declaration which takes the form of a note will be handed to him this morning and released to the press this afternoon.[2]

German Government take note of Belgian intention to follow a policy of independence in full sovereignty and of Belgian determination to resist aggression. German Government state that the inviolability of Belgium is in the interests of Western Powers and confirms its determination to respect Belgian integrity for all time except in the event of Belgium engaging in military action against Germany. German Government is also prepared like His Majesty's Government and French Government to render assistance to Belgium in the event of her being the object of aggression.

Belgian note in reply takes note of German declaration with 'great satisfaction' and with warm thanks.

Texts by bag to-day.[3]

Belgian Counsellor wished to emphasize (1) the unilateral nature of this German declaration, (2) and the fact that Belgium was not fettered from taking economic action against Germany under any League obligation.

Repeated to Paris and Brussels.

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[1] In this minute of October 9 Mr. Strang noted that information concerning the proposed German declaration had been given to Sir N. Henderson by the Belgian Minister at Berlin on October 8.

[2] See No. 239, note 5.

[3] Cf. *ibid.*, note 1. The Belgian note of reply acknowledging the German declaration is printed in *D.D.B.*, *op. cit.*, No. 248.

No. 242

Sir R. Clive (Brussels) to Mr. Eden (Received October 13, 1.40 p.m.)

No. 64 Telegraphic: by telephone [*C 7077/181/4*]

BRUSSELS, *October 13, 1937*

On receipt of your telegram No. 53[1] I sent urgent letter to Minister for Foreign Affairs at midnight through his Private Secretary.[2] I saw His Excellency this morning and he asked me (1) to express to you his deep regret that you should think that he had acted precipitately. When he had promised to keep you *au courant* he had never contemplated a detailed discussion of text.

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[1] See No. 239, note 5.

[2] This letter is printed in *D.D.B.*, *op. cit.*, No. 246.

This would also have necessitated same procedure with the French. The declaration was after all a unilateral German statement. (2) His hands had been forced by leakage in Press and false rumours that Belgium had accepted a non-aggression pact. Thence the necessity of anticipating publication by one day. (3) As regards objection to paragraph 3 he showed me draft of German *communiqué* which speaks of 'guarantee to lend assistance to Belgium *if she expresses the wish for it etc.*'.[3] He will emphasize this in the Belgian *communiqué.*[4] He added that French phrase 'prêt à accorder assistance' presupposes demand. (4) He had telephoned last night to Belgian Minister Berlin about your wish to omit phrase 'like the British and French Governments'. Belgian Minister had strongly deprecated taking this up with German Government so late as the declaration had been initialled by Herr Hitler and was already printed and the Germans would have resented this last minute demand especially as the words had been inserted at the wish of the Belgian Government.[5] Minister for Foreign Affairs begged to emphasize in his commentary which was to be published that Belgium was not relying on German guarantee against attack by England or France. He added that French Ambassador had seen no objection to these words and he personally still feels their retention improved paragraph from our point of view. I said that unfortunately you did not share this view and I rather doubted whether British Press would do so.

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[3] The German *communiqué* commenting on the declaration is printed in *D.D.B.*, *ibid.*, No. 249.

[4] A copy of the Belgian explanatory *communiqué* is filed at C 7055/181/4.

[5] Mr. Strang minuted on October 13: 'The Belgians apparently put the offending words into the draft in the belief that they would please us.' Cf. *D.G.F.P.*, *op. cit.*, No. 479. On the question of Belgian initiative and the German declaration see also D. O. Kieft, *Belgium's Return to Neutrality* (Oxford, 1972), pp. 172–80.

No. 243

Sir G. Ogilvie-Forbes (Berlin) to Mr. Eden (Received October 13, 1.45 p.m.)

No. 246 Telegraphic [*C 7083/3/18*]

BERLIN, *October 13, 1937, 1.57 p.m.* [*sic*]

Your telegram No. 180.[1]

Please see my telegrams Nos. 234[2] and 237[3] and my letter to Mr. Nichols of September 30th.[4]

It is impossible to forecast details of any contemplated German action against Austria or Czechoslovakia. Decision lies with Herr Hitler alone and he may not yet have made up his mind as to psychological moment. Information at present at my disposal indicates that Herr Hitler does not contemplate violent action against Austria.

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[1] This telegram of October 12 asked Sir G. Ogilvie-Forbes for his comments on No. 205.

[2] See No. 215, note 2. [3] No. 215. [4] See No. 198, note 4.

It nevertheless seems clear here that Germans are determined sooner or later to take Austria and regions in neighbouring countries where the majority of the inhabitants are German and that German Government is counting on Great Britain not to march.[5]

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[5] Referring to the last statement in this paragraph, Sir O. Sargent commented on October 15: 'I think we might put it the other way round and say that the only fact which is restraining Germany is doubt as to what the attitude of Great Britain would be, which is very much the line which Herr Woermann took with Dr. Jäckh a year ago, when he said that Germany had discounted France altogether and hoped within a year to have converted Great Britain to neutrality. As soon as that point was reached she would walk into Central Europe.

Meanwhile we have no direct evidence that Germany is going to take the plunge in the immediate future, but I have no doubt that plans are all ready in the event of France and ourselves getting embroiled in the Mediterranean.'

No. 244

Extract from Cabinet Conclusions No. 37(37) of October 13, 1937

[W 19292/7/41]

1. The Cabinet had before them a Memorandum by the Secretary of State for Foreign Affairs (C.P. 234(37)) circulating the text of the Joint Anglo-French Note of the 2nd October proposing tripartite conversations to consider the withdrawal of foreign volunteers from Spain,[1] as well as the text of the Italian reply thereto of the 9th October.[2]

At the outset of the discussion the Secretary of State for Foreign Affairs handed round copies of the following documents:

(i) A record of a conversation he had had on the previous evening with the French Ambassador, containing a summary of the non-intervention situation as it appeared to the French Government, and an account of the proposals they wished to make to His Majesty's Government for dealing with it. At the end of the conversation the French Ambassador had voiced his Government's anxieties in respect of security in the Mediterranean, with particular reference to the possibility of an Italian attack on the Island of Minorca.[3]

(ii) A personal letter from the Spanish Ambassador containing certain considerations and reflections on the questions of non-intervention, withdrawal of foreign volunteers from Spain, the opening of the Franco-Spanish frontier, etc.[4]

After a pause to enable members of the Cabinet to read these documents:

The Secretary of State for Foreign Affairs said that on the previous evening he had received a telephone message from the Ambassador stating that the French Government did not now propose, as a condition of acceptance of the suggested reference to the Non-Intervention Committee, to insist on a time limit. Their present idea was that the Chairman of the Non-Intervention Committee should make the suggestion and that the Committee itself should ask for the reply within certain time limits, as it had often done before. In addition he said that the French Government did not persist in their demand that it should be announced at the Committee that if the Non-Intervention Committee failed, non-intervention as a whole must be at an end and arms supplied to the Spanish Government only. The Secretary of State himself thought that it would probably be wise to make another attempt to get agreement at the Committee. He had, however, certain comments to make on the French proposals.

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[1] No. 216. [2] See No. 237. [3] See No. 240. [4] Not printed.

First, as regards their form, he thought it would be unwise for the British and French Governments to make a joint statement before the Committee. No doubt their views would be similar on the question of volunteers, and the two Governments might inform one another of the views they intended to express; but there should not be any joint representations. If the Cabinet agreed, he proposed to say this to the Ambassador.

Second, he did not agree to make the proposal on page 6 of Appendix I[5] that in the event of failure the two Governments should 'both take identical steps and that we should authorise temporarily the transit of arms to the Spanish Government through our own countries and from our own countries'. He would rather prefer to talk on the general lines of the French Note to the Italian Government, but, on the point he had just mentioned, to say that in the event of the Non-Intervention Committee failing to reach agreement we should reserve our liberty of action. He was strengthened in this view by the statement of the Spanish Ambassador that what the Spanish Government asked for was not arms but the right of transit of arms across France. He thought the reason for this demand was that the Spanish Government had lost a good many merchant ships and were finding it difficult to get munitions through by sea. It would help them if they could be brought to some port on the coast of France and transferred by land.

The fundamental changes, therefore, which he proposed were, first, that the statements of the Governments should be separate, and, second, that in the event of failure at the Non-Intervention Committee we should reserve liberty of action. In addition, the attempt to reach agreement ought to be a genuine one. He then explained to him [the Spanish Ambassador] the three proposals of the French Government. These proposals, which are set forth on pages 4 and 5 of Appendix I[6] were similar to the proposals of His Majesty's Government at the Committee in July.[7] The chief criticism that could be directed against them was in the matter of the proportion of withdrawals from the two parties to the Spanish civil war. No-one knew accurately what were the numbers of foreign volunteers in the two armies. It would be difficult to get the agreement of what might be called the Left Wing Powers to a man-for-man withdrawal. He would, however, like to press the French to begin on that basis, using the argument that the important thing was to get the foreigners out of Spain. He would urge that, even if some Italians

[5] i.e. in para. 4 of No. 240.

[6] i.e. in para. 3 of No. 240.

[7] See No. 38.

remained, the position would be much improved by withdrawals on that basis.

In reply to a question he pointed out that, whatever his personal views, he had been careful not to commit the Cabinet in any way to the French suggestion that if we failed in this attempt to reach agreement the frontier should be opened.

The Secretary of State for Air said that he had very carefully studied the Intelligence Reports from Spain; for example, in regard to Majorca. He saw no evidence that the Italians had increased their forces there since they had undertaken not to do so; and as to material the evidence that they were sending more was not conclusive. He hoped, therefore, that we should avoid imputing to them intentions of that kind. He hoped also that we should not put forward any proposal that was less than the previous proposals we had made at the Non-Intervention Committee. He asked in particular if the question of belligerent rights would be considered. His recollection was that we had linked the two questions of volunteers and belligerent rights in such a way that, provided a satisfactory withdrawal of volunteers were carried out, we should agree to grant belligerent rights. The French proposals were not clear on this point.

The Secretary of State for Foreign Affairs thought that perhaps in the record of his long conversation with the French Ambassador, which he had had to produce very rapidly, he might not have done full justice to the French proposal in this respect. His idea, and, he thought, that of the French Government, was that the proposals should be similar to those of July. He did not propose to associate himself in any way with the French information as to Italian intentions and movements. From a particularly reliable source, however, he thought there was no doubt that there had been some despatch of men and material from Italy to Spain.

The Chancellor of the Exchequer pointed out that if our object was to obtain the withdrawal of volunteers on both sides it would be a mistake to presuppose the existence of a breach of recent undertakings.

The Lord Chancellor felt strongly that if we wished to obtain a withdrawal of volunteers we should not begin by casting doubt on Italian pledges.

The President of the Board of Trade supported this and said he was rather horrified at the statements at the foot of page 2 and the top of page 3 casting aspersions on Italian good faith.[8]

The Minister for Co-ordination of Defence said that he was somewhat new to this sort of negotiation. His impression, however, after reading Appendix I, was that French policy differed widely from our policy. The whole tone of the document gave a wrong direction to the line that ought to be taken. His idea was that if we demanded the withdrawal of Italian volunteers in a minatory way our effort was bound to result in failure. The right way to begin appeared to be to try and ascertain from the nations concerned whether they really desired to withdraw their volunteers. If our proposals were put forward as suggested by the French, the Italians would refuse and the situation would be infinitely worse. The first step, then, was to ascertain whether they wanted to stop intervention. He had studied the Intelligence Reports, which showed that there had been intervention by Russia and even France, as well as by Italy; in fact this was the reason why Franco's army had tried to destroy the railway communications between France and Spain. He thought, therefore, that the first step was to find out the real intentions of the parties concerned. Appendix I gave the impression that the French were working for a breach.

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[8] i.e. in para. 2 of No. 240.

The Secretary of State for the Colonies was concerned at a statement in the conversation Sir Eric Phipps had had with M. Blum, where the latter had indicated that his object was to get Great Britain and Russia together.[9] He did not think that British public opinion was at all anxious for this.

The Prime Minister said he shared the feelings expressed by his colleagues. The present moment might be one of critical importance to Europe, and the future in the Mediterranean might well depend upon how it was handled. Perhaps we held a key position in the matter for the reason that the French Government, though rather under the influence of panic at the moment, undoubtedly attached great importance to the maintenance of good relations with us. He thought, therefore, that they would go a long way to meet our views.

He did not agree in the proposal that we should ask the Italians whether they did or did not want to withdraw their 'volunteers'. The real position was that the Italian Government wanted General Franco to win, but they did not want to get entangled more than was necessary. He suspected that Signor Mussolini thought that if all assistance were withdrawn General Franco would win. The Duce would not be willing to admit that there were more volunteers with Franco from Italy than foreign volunteers on the other side. He therefore supported the suggestion of the Secretary of State for Foreign Affairs that we should begin by proposing a man-for-man withdrawal from each side. If a withdrawal of, say, 30,000 volunteers from each side could be secured, the position would be improved even if some Italians remained, and something would have been done to ease the situation in Europe. He did not think that the Germans wanted to do more in Spain than was necessary for the maintenance of the Berlin-Rome 'axis'. He agreed that the French approach to the examination of the question was deplorable, if the object of the Meeting was to get the volunteers out. He hoped, therefore, that the Secretary of State for Foreign Affairs would do his best to secure that the French should not persist in their intention to harp on past events, which would only produce discord when the real object was to secure an improvement in the future. If we could approach the question ourselves from the right point of view he was not unhopeful that a result might be achieved. He trusted, however, that we should say that the situation did not admit of delay, and that we should make clear that if no agreement were reached we reserved our position. He hoped also that the Foreign Secretary would carry out his intention to see the Italian Ambassador.[10]

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[9] Sir E. Phipps had a long conversation with M. Blum on October 10, reported to the Foreign Office in Paris telegram No. 602 Saving of that date (R 6741/1/22). M. Blum expressed the opinion that 'the Berlin-Rome axis had come to stay' and compared the situation to that in 1914. 'Close collaboration between Great Britain, France, and Russia was essential.'

The Secretary of State for Scotland agreed that it was important to restrain the French, but pointed out that the French Government were in a more difficult position than we were. They were apprehensive of the development of danger on a third frontier, on which their General Staff was considerably perturbed. He agreed, therefore, that the French Government ought to be induced to adopt a more reasonable line, but he did not think that we could persuade them to postpone indefinitely the opening of the frontier. At the recent Geneva meetings the Eastern Mediterranean Powers had shown a great interest in an appearance of a stand being made against Italy, and there appeared to persist a general idea that the non-intervention policy was working rather thin and would have to be reconsidered. The French, however, would want to know in advance what our attitude would be in the event of failure.

The Prime Minister agreed that the French Government could not be expected to keep their frontier closed indefinitely. All he proposed should be said was that we reserved liberty of action. We could not go so far as to say that we did not approve the opening of the French frontier in the event of failure, though we might later on have to urge on them that this course might make things worse even from the French point of view.[11]

The Secretary of State for Foreign Affairs, commenting on the discussion, expressed the view that some of the criticisms had been unfair to the French Government, whose anxieties were by no means unjustified. He did not dissent from their suspicions of the intentions of Signor Mussolini in the Mediterranean. If our communications were threatened in the same vital degree as those of the French by an Italian occupation of the Balearic Islands we should feel just as much anxiety.

On the question of the degree of intervention by the different Powers he pointed out that Italian intervention was of a different character from that of other countries, in so much as it included large military formations and Italian Generals whose photographs could be seen in any cinema in Europe. He had seen an official of the Foreign Office who was home on leave from our Embassy in Spain, and who thought definitely that the Italians meant to stay in that country and that General Franco could not dispense with them. That was what made the French Government so anxious.

The Prime Minister suggested that the criticism was directed not so much at the French apprehensions as at the fact that their proposals were not calculated to forward the object in view.

This observation received a strong measure of assent.

The Chancellor of the Exchequer said that the French Note conveyed the impression that they did not anticipate a favourable result at the Non-Intervention Committee and that they were thinking much more of the next step in the event of failure.

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[10] The two preceding paragraphs of this record were marked 'A', indicating the views of the Prime Minister.

[11] This paragraph was marked 'B' to indicate the views of the Prime Minister.

The Secretary of State for Foreign Affairs agreed that that had been the line of the French Ambassador. They had this much excuse, that intervention in the Mediterranean was very close to France.

The Home Secretary agreed, but urged that our interests, although in many respects identical with the French, were best served by another effort at non-intervention. This would not be forwarded by the formation of an Anglo-French-Russian *bloc*. Our approach, therefore, must be very different, and we must try to dissuade the French from adopting the line they proposed.

The President of the Board of Trade said that we were drifting near to a position of having to say that General Franco must not be allowed to win. The result of that would be a European war. He thought a decision ought to be taken now as to whether we were prepared to face such an eventuality.

The Prime Minister said it did not matter to us which side won so long as it was a Spanish and not a German or an Italian victory. If we could secure the removal of the volunteers it would become a Spanish civil war and not a foreign war.

The Secretary of State for Foreign Affairs, referring to the President of the Board of Trade's remarks, said that the whole object of our policy had been to avoid any spread of the Spanish civil war to Europe. He did not think that the French General Staff would mind which side won, but they felt more apprehensive of the results of an Italian victory.

No formal conclusion was recorded, but it was left to the Secretary of State for Foreign Affairs to deal with the French, Italian and Spanish Ambassadors on the general lines of the discussion, the trend of which is summed up in the Prime Minister's remarks summarised in 'A' on pages 6 and 7, and 'B' on page 8.[12]

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[12] See notes 10 and 11 above.

No. 245

Extract from Cabinet Conclusions No. 37(37) of October 13, 1937

[R 6885/1/22]

3. The Lord President of the Council asked what was the present position of the proposed conversations with the Italian Government.[1] It was bad to open up such conversations and to fail; but it might be that the continuance of the conversations would be of some value in the avoidance of the creation of rival *blocs* in Europe. Perhaps, also, we might have more success in individual conversations with Italy than we should ever get in conjunction with the French.

The Secretary of State for Foreign Affairs thought that both the British and Italian Governments felt that the Spanish situation stood in the way of success. When he saw the Italian Ambassador he might hark back to the question of conversations and explain that we were very anxious to make a start and that the best way to prepare for their success would be to get the Spanish question out of the way.

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[1] Cf. No. 217.

In reply to a question he said that he could not recall that the Italians had said in so many words that the Spanish affair stood in the way of the conversations, but they knew that the question of Abyssinia was linked with that of Spain.

The Prime Minister agreed that developments in Spain were a new factor. The question of Spain was so linked up with that of Abyssinia that at the League of Nations we could not secure the preliminary move that was essential to the success of the conversations. He thought that the Cabinet might rely on the Secretary of State for Foreign Affairs and himself to do everything possible to keep the relations with Italy such that the conversations might eventually be renewed.

No. 246

Letter from Mr. Eric Parker[1] *to Lord Halifax*

[*C 7324/7324/18*]

BREAM'S BUILDINGS, LONDON, E.C.4, *October 13, 1937*

Dear Lord Halifax,

I am enclosing you, at the wish of Prince Loewenstein, an invitation[2] from the German Hunting Association to the International Sporting Exhibition at Berlin.[3]

Would you be so good as to read the invitation and the programme, and to let me know, if possible not later than Monday next,[4] whether you are able to accept the invitation or any part of it.[5]

Yours sincerely,
ERIC PARKER

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[1] Editor-in-chief of *The Field*.

[2] Not traced in F.O. archives.

[3] Sir N. Henderson gives a brief indication of the importance of this exhibition in German eyes in *Failure of a Mission* (pp. 96–7). Arrangements had been made in 1936 by General Goering as Game Warden of the Reich for a great hunting exhibition rivalling that of 1910 to be held in Berlin in November 1937. When Sir N. Henderson arrived at his post in May 1937 he found that almost every European country was to be represented except Great Britain.

[4] i.e. October 18.

[5] According to Mr Eden's memoirs (*Facing the Dictators*, p. 509), he first heard of this invitation after a dinner which he had been giving for M. Stoyadinovitch, Prime Minister of Yugoslavia, on October 14. He says that at the time he 'saw no sufficient reason to oppose it'. The doubts he developed later were partly no doubt due to the comments of the Foreign Office staff (see Nos. 272, 273 below). Mr. Churchill, who was present at the dinner, states that Lord Halifax had already spoken about the proposed visit to the Prime Minister, 'who thought it would be a very good thing'. He had the impression 'that Eden was surprised and did not like it;

but everything passed off pleasantly' (*The Gathering Storm* (London, 1948), pp. 194–5). Lord Halifax writes (*Fulness of Days* (London, 1957), p. 184), that he had not yet spoken of the matter to Mr. Chamberlain, and that the facts 'differed from the story that tends to become established of the decision being made by a Prime Minister, bent on appeasement, against the wishes and advice of a robust Foreign Secretary'.

In a letter of October 24 to his sister Hilda (in the Chamberlain Papers) Mr. Chamberlain wrote that after receiving the invitation from *The Field*, Lord Halifax had a talk with 'Anthony & Van, at which the former said he would be "quite happy" if he went while the latter strongly argued that he should not go as he would certainly be asked awkward questions.' Mr. Chamberlain was 'really horrified' on hearing this: 'I said another opportunity to be thrown away. I can't allow that. And I appointed a meeting with Edward & Anthony & it is now fixed that E[dward] will go. . . But really, that F.O.! I am only waiting for my opportunity to stir it up with a long pole.' See No. 261 below.

No. 247

Mr. Eden to the Earl of Perth (Rome)

No. 1050 [*W 19109/7/41*]

FOREIGN OFFICE, *October 14, 1937*

My Lord,

I asked the Italian Ambassador to come and see me this evening when I said that he would be shortly receiving an invitation to attend the Sub-Committee of the Non-Intervention Committee on Saturday morning.[1] He would appreciate from this that after careful consideration we had come to the conclusion that we would make one more effort in the Non-Intervention Committee to attempt to reach an agreement on this tense situation which was now becoming more serious with every week that passed.[2] I appreciated, however, that if this effort was to have the best chance of success, as we were most anxious that it should, then there was much to be gained by my having a frank conversation with the Ambassador on the situation. The last thing I wanted was to spring a number of proposals on the Italian Government at the table without having given them any previous indication of what was in our mind.

2. The Ambassador expressed warm appreciation of this and said that he felt sure that our interview would be a great help to him.

3. I then detailed to the Ambassador the gist of proposals (1), (2) and (3) as set out in my interview with the French Ambassador on October 12th (see my despatch to Paris No. 1925).[3] Count Grandi did not demur to taking up the British proposal of last July and stated that the principle of that proposal was definitely acceptable.[4] He saw more difficulty in agreeing to make a start with the withdrawal of a number of volunteers. He even suggested that Lord Plymouth should be asked to negotiate with the two parties in Spain. This was a suggestion which he had made last July. I replied that this really would not do. It was essential that we should look beneath the surface of these proposals.

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[1] October 16.

[2] Cf. No. 237.

[3] No. 240.

[4] See No. 38.

The truth was that we were now making what might have to be a last effort to make non-intervention effective. It was quite impossible for us to go on with conditions as they were at present.

4. I then drew the Ambassador's attention to a message in the *Times* of this morning from their correspondent at Milan quoting the special correspondent of the *Corriere della Sera* at Saragossa who had given a graphic account of the activities of the Italian air force in Spain during the last four days. He described in detail the activities of these Italian machines, the places that they had bombed and the opposing machines that they had shot down.[5] The Ambassador, having read the paragraph, admitted that there was really no comment he could make upon it except that it was unhappy. I continued that it was essential to know whether the Italian Government were willing to cry a halt to their despatch of aeroplanes and men to Spain if others cried a halt also, or whether they would attempt to go on. If the latter was the truth then I really did not see how the Committee could be expected to achieve results; still less did I see how we could tell the French Government that they were not justified in opening their frontier. It is quite true that the Ambassador maintained that the opening of the French frontier would not, in the view of the Italian Government, make a material difference to the military situation, but no-one would deny that it would make a difference to the political situation or its psychological effect on Europe. I was myself more anxious about the situation then I had been at any time since the conflict began. I feared that we might be on a slippery slope. Much depended upon the attitude which His Excellency was able to adopt at the meeting of the Sub-Committee on Saturday. If he could frankly and whole-heartedly accept the three proposals which had been put forward, then it would be possible in the better atmosphere which would thus be created to proceed to the more detailed discussion. Then also Your Excellency and Count Ciano would be able to enter upon your conversations with real prospects of achieving results.

5. The Ambassador did not attempt to challenge any of the comments which I had made. Indeed, he admitted that the cost of intervention in Spain was a heavy one for Italy. At the same time he did not see any chances of a compromise in Spain at present. I replied that the essential was not to stop Spaniards fighting, but to stop the foreign intervention: it was in this that the European interest lay.[6]

6. After some further conversation the Ambassador, who appeared to appreciate the sincerity of the effort we were making to prevent a breakdown of non-intervention, undertook to report what I had said and added the suggestion that it would be most valuable if you could speak to Count Ciano

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[5] See *The Times*, October 14, 1937, p. 14.

[6] On October 15 Sir R. Vansittart gave a similar account of the contemplated proceedings of the N.I. Committee to the German Counsellor, Dr. Woermann, and to the Portuguese Ambassador. Dr. Woermann raised the question of belligerent rights, and thought that his government might not approve of the British procedure whereby this question might be considered 'when the international commissions charged with supervising the withdrawal were able to affirm that it was in a sufficient state of execution'. The Portuguese Ambassador seemed more hopeful that progress might be made on the lines proposed.

on similar lines. If you see no strong objection, I should be very grateful if you could do this at once.[7]

I am, etc.,
ANTHONY EDEN

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[7] Foreign Office telegram No. 321 of October 15 to Rome summarized the above despatch. Mr. Eden added the following paragraph: '*For your own information.* The truth is that if Italy is determined to continue her present policy of intervention more especially by air it will be in practice impossible to keep the façade of non-intervention in being.'

No. 248

Mr. Eden to Viscount Chilston (Moscow)

No. 488 [*W 19110/7/41*]

FOREIGN OFFICE, *October 14, 1937*

My Lord,

I asked the Soviet Ambassador to come and see me this evening, when I gave him some account of the procedure which we proposed to follow at the Non-Intervention Committee on Saturday, as set out in my interview with the French Ambassador on October 12th.[1] I explained to His Excellency the three points upon which we proposed to ask for agreement. I added, however, that M. Maisky would appreciate the importance of these points insofar as they concerned the attitude of his Government. It was they at the end of July who had been unwilling to accept the British proposal.[2] Unless they were now prepared to modify their attitude, I feared that the Committee might break down through the refusal of the Soviet Government.

2. The Ambassador then explained the views he had about the procedure which we had adopted. He was himself quite convinced that the Italian Government did not intend to withdraw a single volunteer. In these conditions we should only let ourselves in for a great deal of waste of time at the Committee by attempting once again to raise a subject now two months old. The Ambassador added that he wished to know, for the information of his Government, how we viewed the situation and what we thought would be the consequences of the Committee failing to reach agreement. I replied that I thought the consequences might be very serious indeed. We had decided upon this procedure in conjunction with the French Government in order to make one further effort to make non-intervention work. We had done so not because we had any illusions about the difficulties but because we thought it essential to spare no effort, however vain the chance of success, to save the likelihood of a breakdown of non-intervention. If the Soviet Government thought that there was no chance of the Italian Government agreeing to the withdrawal of volunteers, then there was all the more reason for their not allowing their attitude to be made the pretext of an Italian refusal. The Ambassador agreed, and undertook to repeat what I had said to his Government. He added that he would be grateful if you would also speak to

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[1] No. 240.

[2] See Nos 63 and 75.

M. Litvinov. He said that his Government's attitude might be influenced to some extent if they could be assured that this was really our last endeavour to seek to reach agreement on this troublesome question, and that we should not ask them for further concessions in a short time. He recalled that for them to agree to grant belligerent rights to General Franco would be a considerable concession and, though he did not know at all what his Government's attitude would be, he felt that they would be influenced if they could be sure that no further substantial concession was going to be asked from them in the near future. I said that I could not give the Ambassador any such undertaking as he asked for, but, at the same time, he had only to read our recent note to the Italian Government[3] to appreciate how difficult it would be to ask other nations to continue to work the policy of non-intervention unless some means were found to secure its better observation in the future.

3. The Ambassador then criticised the three proposals for which we asked general acceptance and suggested that if we had asked for the withdrawal of foreign volunteers from the firing line within a week that might have been a more practical proposal, since then all aeroplanes flown by foreign pilots would have to cease flying and we should very soon know whether that engagement had been carried out or not.

4. I told the Ambassador that he had yesterday handed in a note to Lord Plymouth, saying that his Government would not continue to pay for observers. I asked His Excellency to take this note back for a week at least and then send it in again if he still desired to do so. I feared that its circulation at the present time would draw a red herring across the trail at the next meeting and perhaps destroy altogether our chances of success. After some further discussion the Ambassador undertook to do this.

5. I shall be grateful if you could find an opportunity of speaking to M. Litvinov and explain to him the great importance we attach to the Soviet Government not taking up an attitude in the Committee which would make it possible for any other Government to say that their refusal had made agreement impossible.[4]

I am, etc.,
ANTHONY EDEN

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[3] No. 216.

[4] The sixty-fourth meeting of the Chairman's Sub-Committee of the N.I.C. was held at the Foreign Office on Saturday, October 16, 1937, at 10.30 a.m., with Lord Plymouth in the chair. The French Ambassador, M. Corbin, put forward five points for agreement which did not differ in substance from the British programme of July 14 (No. 38). These may be summarized as (1) the withdrawal of foreigners from Spain as soon as possible; (2) the two belligerents to be empowered to exercise certain recognized belligerent rights as soon as the process of withdrawal was sufficiently advanced; (3) speedy token withdrawal of a certain number of volunteers from the two armies within a short period; (4) a most formal agreement by the governments represented on the N.I.C. against any further despatch of aircraft or departure of volunteers to Spain; (5) a system of reinforced control based on the suggestions of the van Dulm-Hemming report to be introduced as soon as possible. After some discussion the sub-committee agreed to refer the French proposals and suggestions made in the course of the discussion to the respective governments. M. Maisky said that he reserved the attitude of the U.S.S.R. to the French Government's proposals, but would transmit them for immediate consideration.

No. 249

Mr. Eden to Sir R. Campbell[1] *(Belgrade)*

No. 239 [*R 6882/835 /92*]

FOREIGN OFFICE, *October 14, 1937*

Sir,

I had a conversation of nearly two hours' duration with the Yugoslav Prime Minister this morning.[2] During the course of it M. Stoyadinovitch gave a summary of his country's foreign policy. In the first circle of friendship were the Powers of the Little Entente. That friendship had originally been especially directed against Hungary, with whom also relations were now in the process of improving. The Prime Minister hoped that, once the elections were over, a final agreement would be reached between Hungary and the Little Entente about minorities and Hungary's rearmament. Then there was his country's friendship with France. It was not in the nature of an alliance, but it was a close understanding. He himself was opposed to any attempt to extend that understanding into an alliance between France and the Little Entente. To ask that was to ask too much of small countries for it would look as if they were united to defend Czechoslovakia against Germany. This would be too heavy a task for Yugoslavia and Roumania alone, and France was some way off.[3] This did not mean, however, that Yugoslavia had any doubt as to where her real friends lay. There were only two potential enemies of his country, Italy and Germany. In respect of the former, Yugoslavia's position was exactly the same as that of Greece and Turkey. They were frankly afraid of Italy and of what they believed to be her aggressive intentions. The Prime Minister was particularly emphatic about the policy of Greece. We should misunderstand the position if we thought that it was dictated by anything other than fear. Greek towns were desperately vulnerable to air attack from Italy, and it was not love but fear that dictated Greece's attitude towards that country. The best comfort we could bring to Yugoslavia and to the Mediterranean Powers generally was information about our own rearmament, particularly in the air. They looked anxiously at the next eighteen months to two years which they supposed to be necessary before we were ready. It would be necessary to speak firmly to Signor Mussolini and Herr Hitler. It was the only language that they understood, but if one were to use such language one must be strong. So far as Yugoslav relations with both these countries were concerned, M. Stoyadinovitch said that he had no illusions. He knew how serious it must be for him if Germany was to absorb Austria and he knew, too, that her aim was to secure an outlet at Trieste. He thought that Italy also had some apprehensions on this score and that Signor Mussolini's policy still was to put off the Anschluss for as long as possible, even though he thought it might one day become inevitable. In present conditions, therefore, Yugoslavia thought that she was right in trying to have good relations with her two potential enemies, Germany and Italy. It was the case of the mouse and the two cats. In the meanwhile his country was doing what it could in the way of rearmament and was making good progress. Yugoslavia would always co-operate in the organisation and work of peace. That was why they were loyal members of the League and would remain so, despite the difficulties under which the League was working. That was why, also, they had co-operated whole-heartedly with us at Nyon.

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[1] H.M. Minister at Belgrade.

[2] M. Stoyadinovitch visited London October 14–15. This was the first visit paid by a Yugoslav Prime Minister to London, and was designed for him to make personal contact with British statesmen, especially Mr. Eden, who gave a dinner for him on October 14 (cf. No. 246, note 5). M. Stoyadinovitch also met Mr. Chamberlain on October 15 before leaving for Paris.

[3] In Prague telegram No. 93 Saving of October 4 Mr. Newton reported that M. Blum was thought to have revived with M. Beneš the idea of a mutual assistance pact between France and the Little Entente which had been mooted earlier in the year: see Volume XVIII, Nos. 154, 162, 214, 216, 355, 359, 370. M. Beneš appeared to have replied that he was willing but that M. Stoyadinovitch would raise difficulties. Mr. Eden minuted on this telegram: 'Unwise of French to go on with this', but agreed with Sir R. Vansittart's minute of October 9 that 'we had much better keep out of this. It won't come to anything anyway'. However, Sir E. Phipps was asked in a letter of October 19 from Sir O. Sargent to let him know if there seemed any real possibility of the Little Entente treaty being revived, as His Majesty's Government still disliked the idea, 'which we had assumed that the opposition of Yugoslavia and Roumania has killed . . .'

2. M. Stoyadinovitch then launched out into a long defence of the agreement which he had concluded with Italy.[4] He emphasised that this had followed our own arrangement of January[5] and that the French certainly could not complain, since they had placed a severe strain on the loyalty of Yugoslavia's friendship while M. Laval was making his arrangement with Signor Mussolini subsequent to the murder of King Alexander.[6] I replied that we had not been critical of the agreement. On the contrary, we had been grateful to the Prime Minister for keeping us so fully informed, and for his assurances of the main direction of Yugoslav policy. The danger, however, which I thought he should guard against was giving the impression to either Signor Mussolini or Germany that they could count upon Yugoslavia in the event of trouble in Europe. If this were a false impression—and the Prime Minister emphasised that it certainly was—then I feared that, if it were given, the effect might only be to encourage rather than discourage either of these Powers in external adventure.

3. We discussed at some length His Majesty's Government's relations with both Italy and Germany, and I explained to M. Stoyadinovitch the difficulties which confronted us in attempting to make progress in our negotiations with these Powers. It was clear from the Prime Minister's observations that he considered a rapprochement between this country and Germany more attainable and more worth-while than such an arrangement with Italy. He was convinced that Germany was far from ready for anything in the nature of military adventure, and he thought that she realised that any attack on Czechoslovakia must precipitate a European war. His Excellency then asked what would be our attitude in the event of Czechoslovakia being attacked, and I explained to him once again our attitude towards Central

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[4] See Volume XVIII, No. 350. [5] See Volume XVII, No. 530.

[6] See Volume XII, No. 335 and Volume XIV, No. 10, note 6.

European problems, as set out in the Leamington[7] and Bradford[8] speeches. It would certainly not be possible for us to give an undertaking in advance that we would fight for any country in Central Europe, for to say so would be to split public opinion here and would do more harm than good. All we could do was to continue to show, what we certainly felt, an interest in Central Europe, for we realised full well that developments there might embroil the whole of Europe.

4. We then spoke of our rearmament, and I gave the Prime Minister some information on this subject. He expressed his keen regret that he could not stay long enough to see some of the work which was being done. He repeated several times that it was our rearmament that was the most important promise of European peace at present. The more progress we could make, the more rapidly we could realise it, the sooner would Europe breathe more freely.[9]

5. Finally, we had some conversation upon the Spanish situation. The Prime Minister explained that, so far as his country was concerned, it did not desire to intervene on either side. He did not himself anticipate that the war would be over this year. Spaniards always liked to postpone decisions if they could. The only possibility was that General Franco might make an offensive against the Pyrenees frontier and cut off France from Valencia. The French Ministers had given him the impression that they were anxious to pursue a more forward policy in respect of Spain, but that we were restraining them. The Prime Minister doubted whether General Franco would wish the Italians to stay in Spain after the civil war was over. Previous experience in such matters usually showed that the victor in a civil war desired rapidly to rid himself of the help of the foreign power which had made his victory possible. At the same time, he underlined French preoccupation about the Balearic Islands, and made it plain that his country was closely watching Signor Mussolini's Mediterranean policy.

6. In general my conversation confirmed your impression that the present Prime Minister of Yugoslavia, though anxious, on the surface at least, to maintain good relations with Germany and Italy, realises full well that the interests of his country today in the last resort depend upon co-operation with the two Western democracies.

I am, etc.,
ANTHONY EDEN

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[7] See Volume XVII, No. 400, note 1.

[8] See *ibid.*, No. 479, note 2.

[9] This sentence was added to the draft in Mr. Eden's handwriting.

No. 250

Letter from Sir R. Vansittart to Sir W. Selby (Vienna)

[*R 6838/303/3*]

Most Secret FOREIGN OFFICE, *October 14, 1937*

I[1] have recently had the opportunity of perusing a memorandum from the pen of an intelligent Hungarian interested in European politics.[2] The following main points emerge.

On September 14th it seems that von Papen admitted to Hitler at Berchtesgaden that his mission in Austria had been a failure; he had not succeeded in introducing pro-Nazi Ministers into the Austrian Government and, in short, the policy of peaceful penetration had not been a success. Von Papen it seems offered his resignation which Hitler accepted and hence, possibly, the news in the British press that he was being transferred to Rome.

On the same day and possibly as a direct consequence of von Papen's admission to defeat, Hitler is alleged to have decided that as soon as Papen's official mission to Vienna was terminated there should be a change of Nazi tactics in Austria in the form of a reversion to the old methods of terrorism, including the murder of the Chancellor[3] and Herr Zernatto.[4] In the resulting chaos, German troops would enter Austria for the ostensible purpose of restoring order, would hold a forced plebiscite and would quit Austrian territory thereafter as soon as possible. This would be timed to begin about the end of October and would be heralded by the resignations of 'national' figures such as Glaise-Horstenau,[5] Seyss-Inquart,[6] etc.

There would appear to be doubts as to the precise part in all this allotted to Guido Schmidt, and it is the impression of the Hungarian writer of the memorandum that he is trying to ride two horses and will cling in the end to the winning one.

In view of Hitler's alleged decision to revert to methods of terrorism in Austria, our informant suggests that the recent burning of the Rotunde in Vienna[7] was not accidental and that the Austrian Government for reasons of prestige and avoidance of injury to the tourist business and the exchange are naturally anxious to hush up the circumstances of the fire. He draws attention to the fact, which you may or may not be able to confirm, that the Berlin wireless apparently lost no time in announcing that the building had been set on fire by Communists.

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[1] Opening and concluding salutations omitted from the filed copy of this letter.

[2] This memorandum had been sent to Sir R. Vansittart in a letter of October 6 from Mr. Harcourt Johnstone, former M.P. and Hon. Treasurer of the Liberal Central Association. Mr. Johnstone wrote that he did not know whether the memorandum would be of any interest, but he gathered 'that the Austrians are in a great stew and prepared for any and every sort of aggression from the Germans'. A note of October 18 by Mr. Bramwell said that he had asked Mr. Norton who the 'intelligent Hungarian' was, but that he did not know. This letter was drafted on Sir R. Vansittart's instruction by Mr. Bramwell, and amended by Mr. Norton.

[3] i.e. Dr. Schuschnigg.

[4] Secretary General of the Austrian Patriotic Front.

[5] Austrian Minister of the Interior.

[6] Dr Arthur Seyss-Inquart was sympathetic to Nationalism Socialism and favoured a union of Austria and Germany: in June 1937 Dr. Schuschnigg had entrusted him with the task of trying to reconcile the Patriotic Front and the various Nationalist parties in Austria.

[7] See *The Times*, September 18, 1937, p. 9.

Our informant thinks that it is Herr Bohle of the *Auslandsdeutsche* organisation and his kidney in the Nazi Party who are the chief instigators of the alleged change of policy and a factor which thought to be influencing them at least as much as the present weakness of Italy is said to be the diminution of Nazi sentiment in the ranks of the Austrian lower middle class, owing to the prosperity brought by the many English and other tourists in contrast to the parsimonious German tourist with his expenditure budget limited to 10 marks.

I am afraid I cannot vouch for the source of these reports but they are so circumstantial that I think you ought to take an early opportunity—unless you have good reasons for not doing so—of asking the Chancellor if he has heard of them and if so what importance he attaches to them. For your own information the source is not connected with our Intelligence Service.

No. 251

The Earl of Perth (Rome) to Mr. Eden (Received October 16, 9.30 a.m.)

No. 614 Telegraphic [*W 19146/7/41*]

Important ROME, *October 16, 1937, 12.40 a.m.*

Your telegram No. 321.[1]

I saw Count Ciano this evening and found he had received account of conversation between you and Count Grandi about two o'clock today.

I stated that I had come in order to support with him the line taken by Secretary of State in that conversation. I gave him the three points containing the gist of the proposals we intended to make at the non-intervention committee meeting tomorrow. The Minister for Foreign Affairs read them and said that he could not take any formal engagements since he had not yet seen Signor Mussolini. He would do so this evening but *primo facie* [*sic*] he saw no difficulty as to point one and three. Count Grandi had asked whether he might take a new engagement about despatch of volunteers as suggested in point three and he had been told that he could certainly do so or rather reaffirm the engagements already taken. Point two was of course the main difficulty, but even here he hoped that some concrete progress could be made. He had given Count Grandi instructions to co-operate in a concrete plan with a spirit of good will. I said that I was very glad to hear this because you were seriously concerned over the situation and you felt that things could not go on as they were at present.

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[1] See No. 247, note 7.

Count Ciano repeated that he believed that progress could be made. He threw out the idea of a token withdrawal of volunteers which he thought would give definite countenance of loyalty and goodwill . . .[2] largely dissipated existing suspicions. On this I remarked that my government did not care what the colour of any future government of Spain was, provided it was decided by the Spanish themselves. Minister for Foreign Affairs replied that this could not apply to Italy as she was in a difficult position. I urged again full acceptance of proposals on the ground that such agreement would constitute real progress in European affairs and would enable him and myself to begin our conversations which I was more anxious to do. Minister for Foreign Affairs said that he shared my wish for these conversations.

Speaking with great earnestness he said that he wished solemnly to confirm all the assurances he had given me during the past month about Italian policy in Spain. Italy had no territorial, political, strategical or even economic designs in Spain; her sole object was to destroy Bolshevism there. When the history of this question could be known, justice would be done to Italy's motive.

He said Italy had no wish for an anti-British Government to be constituted in Spain nor indeed an anti-French one—as for Majorca Italy 'did not care a damn about it'. I said I was grateful for these assurances which confirmed the view I had always held. I added that I would like to make a purely personal observation. I did not know what aid French and Russians had given Valencia Government. Minister for Foreign Affairs interjected that he could give adequate proof of a very large supply of war material. I said that might well be but no comment appeared in French or I believed Russian press about proceedings of volunteers who were fighting on Valencia side while Italian press was full of praise for Italian legionaries. Surely this was a great mistake from Italian point of view. Things like this which appeared in Italian press may be reported abroad and an unfortunate impression was accordingly created.

Count Ciano made no comment on this point.

Count Ciano seemed to be in a very conciliatory mood and genuinely anxious that progress should be made in non-intervention committee.

[2] The text was here uncertain.

No. 252

Mr. Eden to Viscount Chilston (Moscow)

No. 117 Telegraphic: by telephone [*W 19152/7/41*]

Most Immediate FOREIGN OFFICE, *October 18, 1937, 1.15 p.m.*

Your telegram No. 181.[1]

The position of the Soviet Government as outlined in paragraph 2 does not represent any advance on that taken up by the Soviet Representative on the Committee last July and if persisted in will not permit of any agreement being reached at the meeting of the Sub-Committee to be held tomorrow afternoon. Moreover it would make it possible to lay the blame for the breakdown at the door of the Soviet Government; and it would enormously increase the difficulties of the United Kingdom and French Governments.

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[1] In this telegram of October 16 Viscount Chilston reported M. Litvinov as indicating that the Soviet Government would be prepared to consider the question of recognizing belligerent rights in Spain after the '*immediate* and total withdrawal of *all* foreign troops from Spain'.

If Soviet Government believe that Italian and German representatives will not accept French proposals, as I readily admit is very possible, it must surely be clear to them how unwise it would be for them to give Italian and German Governments a fair pretext to put whole onus of breakdown upon them. Should however German and Italian Governments go so far as to accept French proposals and Soviet Government refuse it would be inevitable that full responsibility would be attributed by whole Committee to Soviet obstructiveness thus placing Soviet Government in position of isolation which would no doubt be not unwelcome to Italian and German Governments.[2]

You should therefore immediately seek an interview with Monsieur Litvinov and explain to him that the attitude of the Soviet Government may have decisive influence in the result of tomorrow's meeting. You should then convey to him a most earnest personal appeal from me to instruct the Soviet Representative on the Committee to accept without reservation the French proposals, if others do the same.[3]

[2] This paragraph was inserted in the first draft of the telegram by Mr. Eden.

[3] See No. 248, note 4.

No. 253

Record by Sir R. Vansittart of a conversation with Herr Henlein

[*R 6982/188/12*]

FOREIGN OFFICE, *October 18, 1937*

I was present last week at a dinner at which Herr Henlein, the leader of the *Sudetendeutsch*, was also present,[1] and as I sat next to him I had a conversation of nearly three hours, with of course certain interruptions and intervals. The following is as accurate a summary as I can give of so lengthy a conversation which had to be carried out entirely in German.

[1] Some correspondence concerning the visit of the leader of the *Sudetendeutsche Partei* to England has been preserved at Churchill College, Cambridge, in the private papers of Group Captain M.G. Christie, Air Attaché at H.M. Embassy at Berlin 1927–30. Throughout the 1930's Group Captain Christie regularly supplied Sir R. Vansittart with information on German affairs derived from a number of highly placed sources including General Goering. He was also on close terms with Herr Henlein, and according to a letter to Sir R. Vansittart of June 16 1937, reporting that the Anglo-German Fellowship had invited Henlein to England, Group Captain Christie suggested that he himself should accompany Henlein and direct his activities during the visit. He was anxious that the Czech leader should meet Sir R. Vansittart: some account of his views is given in a selection from his papers printed in *None So Blind* (London, 1947), pp. 95–100.

The conversation was at once interesting and depressing. The impression left upon me by Herr Henlein is always that of a decent, honest and moderate, or anyhow relatively moderate, man. On this occasion it was clear that he is much more excited and embittered than on the last occasion that we met. I had hoped that a little progress had been made in the rectification of his grievances. He at once dashed that hope by saying that things were if anything worse. This I took to be something of an exaggeration, and coming as it did from a man whom I have hitherto found as objective as could be expected, I thought it the more discouraging just because it was a little bit out of focus.

Herr Henlein went on to say that the condition of his compatriots, so far from being better, had got worse, and to such a degree that well over 90 per cent of them were now in favour of complete absorption in Germany. Herr Henlein said that there were only three courses for which, as leader of the party, he could possibly work. The first was for autonomy within Czechoslovakia. The second was for autonomy within Germany, and the third was for complete absorption into Germany. He said that he was prepared to work for the first and indeed it was the only one for which he could work as a practical man, not because he thought it an ideal solution from the point of view of the majority of his supporters, but because it was the only policy that could be carried out without a European cataclysm in which all the frontier districts inhabited by his compatriots would be wiped out.

He then went on to describe the consequences of the other two courses as he saw them. He said that if it was sought to realise either of these two policies by violent German intervention (and they could only be realised by such violence and such intervention) France was sure to come to the assistance of her ally. In that case he felt fairly sure that France would now get the worst of it and the war would be carried west. At that point our vital interest would be involved and we should be brought into the war too. By that time however Poland might have come in, and of course Russia too, and if Russia came in Japan would probably strike also. In fact, said Herr Henlein, the final conflagration of Europe and the destruction of civilization would be upon us, and in the inferno everyone, including first and foremost the *Sudetendeutsch*, would vanish. Nor indeed did Herr Henlein consider that any such conflagration could be anything but a disaster to Germany herself.

Having given this rather surprisingly realistic account of the future as he foresaw it if violent or disruptive courses were followed, Herr Henlein repeated that he was not prepared to bring these evils upon the world and would therefore work for the first course, but he did not believe that there was the slightest prospect of the Czechoslovak Government agreeing to this course, or indeed to any concession which would make life tolerable to its *Sudetendeutsch* subjects, unless something else happened first. That something else must be that Germany should absorb Austria. Herr Henlein put the percentage of Nazi sympathisers in Austria at well over 60, and seemed honestly surprised when I questioned it, saying that I had had all sorts of divergent but invariably lower figures quoted from other sources. Once

Germany had swallowed Austria, and Herr Henlein made no doubt whatever that that day was not far distant, Czechoslovakia would be so thoroughly ringed round on three sides that she would have no alternative to yield to the *Sudetendeutsch* demand, which from her point of view would after all be a far smaller evil than either the second or third courses which mean total disruption and disappearance.

Herr Henlein said that he thought Dr. Hodza had a far clearer perception of the real situation than either Dr. Beneš or Dr. Krofta. Unfortunately Dr. Beneš had a stranglehold upon Dr. Krofta. He spoke confidentially of the details of this hold, but this is not the place to reproduce them. Therefore, said Herr Henlein, the only hope was to address Dr. Beneš himself. Any good and timely counsels that this country or France could give must be addressed to Dr. Beneš personally, and even so they should be addressed soon, for the sands were running out and it would not be long before he, Herr Henlein, found himself so weakened by his constant failure to obtain any result by the policy of conciliation and loyalty to the Czech State that he would not be able to hold his followers to the first course and they would all begin to look to the second and the third, for he repeated that 90 per cent. of them had already been alienated. Herr Henlein most earnestly hoped that we should find means to convey such counsels of conciliation to Dr. Beneš, who, obstinate though he was, might yet listen to them at the eleventh hour; and if he would listen, the situation might still be saved.[2]

I need hardly say that throughout this long interview I did my utmost to keep Herr Henlein as calm and moderate as possible and to dissuade him from any counsels of despair, but I am also bound to chronicle that, as I said at the beginning of this record, I was talking on this occasion to a man much more depressed and much more vehement than the Herr Henlein whom I had last seen a year ago. [3]R.V.

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[2] Cf. No. 198.

[3] Foreign Office opinion on this conversation was somewhat mixed. Mr. Bramwell (October 19) thought it evident 'that Henlein is fast losing his grip over his followers' and that 'Berlin is fast tightening its grip over him, i.e. that bad as things undoubtedly are a lot of what Henlein says nowadays has to be taken with a large lump of salt & his interest is naturally to paint the alternatives as luridly as possible'. Mr. Nichols thought that while 'Herr Henlein may exaggerate . . . in the main he is right. Some compromise must be found. P. Nichols 20/x.' Sir R. Vansittart suggested to Mr. Eden that the conversation was 'important and disturbingly illuminating. . . I think some of your colleagues shd. realise this situation. R.V. Oct. 19.' Mr. Eden agreed: 'Yes, we should circulate this.'

No. 254

Mr. Eden to Sir E. Phipps (Paris)

No. 1970 [*W 19256/7/41*]

FOREIGN OFFICE, *October 18, 1937*

Sir,

The French Ambassador came to see me this morning, when we discussed the meeting of the Non-Intervention Committee to-morrow.[1] The Ambassador was much perturbed at what he anticipated would be the attitude of the Soviet Government. From reports which he had received from Paris he understood that the French Government's representations had failed to move Moscow, and that the latter would take their stand on their position of last July, viz. that they would not grant belligerent rights until the last volunteer had been withdrawn.[2] After some discussion on this subject I undertook to see M. Maisky again and also to ask Lord Chilston to make a personal appeal from myself to M. Litvinov.[3] The French Ambassador showed that his Government strongly disapproved of the Soviet Government's attitude and it was their view that, if the Russians refused to co-operate, we should then go on without them, if the other two principal Governments were prepared to do so. I cordially agreed with this view. The Ambassador added that one of the reasons why the French Government had suggested the tripartite conversations was in order to avoid the presence of Russia.[4] He was clearly anxious lest the German and Italian Governments should use the Soviet attitude at the Committee as a means to avoid agreeing themselves to the French proposals.

2. We then discussed the procedure at the Committee and agreed that our objective should be to secure the acceptance of the five points of the French proposal. Difficulties would arise, no doubt, on the question of proportionate withdrawal. I told the Ambassador I thought it important that we should attempt to secure the acceptance of the principle of proportionate withdrawal, the actual fixing of the figures to be left to the commissions which were to go to Spain.[5] The great difficulty was as to who was to decide what constituted substantial progress, and on this the only suggestion which I could make was that perhaps the British representative might be entrusted with this somewhat unenviable task.

3. The Ambassador showed himself generally anxious as to what was to happen if we failed to reach agreement tomorrow. His government and His Majesty's Government were in agreement about liberty of action, but we were not agreed yet as to the form which that liberty of action should take. He was convinced that the French Government were not willing to take any action except in full agreement with us. They would not, for instance, feel that such full agreement existed if they were to open their frontier and we were to

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[1] I.e. the 65th meeting of the Chairman's Sub-Committee of the N.I. Committee to be held on October 19.

[2] See *D.D.F.*, *op. cit.*, No. 90.

[3] See No. 252, and No. 255 below.

[4] See No. 216: cf. *D.D.F.*, *ibid.*, No. 93.

[5] Cf. No. 38.

take no other action except to say that we approved of their course. They feared that if such was to be our mutual attitude, then it would certainly be said in Berlin and Rome that the French Government had sabotaged the non-intervention scheme and our approval was lukewarm. That was why the French Government were so anxious that we should take some definite action, however limited, ourselves, in order to show the extent of our agreement. In reply I explained to the Ambassador the difficulties which I saw in the course which he suggested and we concluded our discussion of this point by agreeing that action concerning the frontier should depend upon the course of the Committee tomorrow and on what proved to be the cause of a breakdown.

4. In answer to a question, the Ambassador explained that it would not be possible for his Government to open the frontier except on the Government side. It would clearly not be possible for them to allow the transit of arms from Italy across French territory to General Franco. Moreover there was always the possibility that railway communication with the Spanish Government might be interrupted by bombing, in which case the French Government would be placed in the farcical position in which they were allowing the transit of arms to General Franco while they could not, in effect, do so to the Spanish Government.

5. Before leaving, the Ambassador also spoke to me about Minorca. He said that the idea of the French Government had been that we should send two ships to Minorca which, together with the number of ships which they would have there, would, he thought, perhaps prove a deterrent to any action by General Franco against them. I replied that the more I considered this proposal, the more doubtful I was as to its wisdom. It might be that the French Government were right, that the presence of these ships would deter General Franco. On the other hand, it might be that they would constitute just the amount of provocation necessary to encourage him to take the island or send us a warning message to say he was going to do so. If so, what was our action to be? Were we simply to go away?

If so, I did not see that such a procedure could be other than humiliating to us. It seemed to me that the whole problem required much more careful thought, and I confessed that, as it had been explained to me, I did not like this French proposal. The Ambassador said that he appreciated the force of what I had said and indeed he had already put similar arguments to his Government after his interview with Sir R. Vansittart on Saturday.[6] He expected to hear from the French Government in reply shortly.[7]

I am, etc.,

ANTHONY EDEN

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[6] A record of Sir R. Vansittart's conversation with M. Corbin on October 16 is filed at W 19239/545/41.

[7] M. Corbin reported this conversation with Mr. Eden to Paris in two telegrams: see *D.D.F.*, *op. cit.*, Nos. 96 and 100.

No. 255

Mr. Eden to Viscount Chilston (Moscow)

No. 489 [*W 19257/7/41*]

FOREIGN OFFICE, *October 18, 1937*

My Lord,

I asked the Soviet Ambassador to come and see me this afternoon and I told him that I had been much perturbed to hear the outcome of my interview with the French Ambassador this morning and that the Soviet Government were still maintaining the attitude they had adopted at the end of July in respect of the withdrawal of volunteers and belligerent rights. I then showed the Ambassador our telegram No. 117[1] to you. I said that I must make it plain to him that if the Soviet Government *did* persist in their attitude and the German and Italian Governments were to accept our and the French proposals, while the Soviet Government refused them, it would be inevitable that the whole blame would be laid at the Soviet Government's door. The Ambassador protested that this would hardly be fair for, after all, what was the true source of the trouble today? It was not that war material had been sent to both sides, but that the Italians, and the Italians alone, had a large number of trained troops taking part in the war. His Government's estimate of the figures was 70 to 80 thousand Italians, 10–15 thousand Germans while the International Brigade which had numbered perhaps 30 thousand now numbered less than 15 thousand.[2] In the face of this, though it might be the Russian attitude which was the pretext for the breakdown, it could not be pretended that it was their attitude towards Spain which was the fundamental cause of it. It was because the Soviet Government were certain that no good could come out of the discussions at the Committee that they might maintain their attitude.

2. After a further discussion, during which I repeated the arguments in my telegram No. 117 to you, the Ambassador eventually undertook to make further representations to his Government. He asked me whether it would meet the case if the Soviet Government would accept our proposals subject to a satisfactory definition of the term 'substantial progress'. As a result of further questioning, I discovered that what the Ambassador had in mind was that the Committee should, at some later date, decide what constituted 'substantial progress'. I then told him that I was confident that this solution would not do, since, in effect, it would give the Soviet Government a complete veto and they could hold out for withdrawal to the last man before agreeing to belligerent rights. The Ambassador reluctantly admitted the force of this and eventually, after some further discussion, suggested that perhaps it might be possible for the Committee tomorrow to attempt to fix a percentage which would constitute substantial progress—in his view about 75% of the original figure.

I am, etc.,

ANTHONY EDEN

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[1] No. 252.

[2] Cf. No. 257, note 1 below.

No. 256

Viscount Chilston (Moscow) to Mr. Eden (Received October 19, 12.30 p.m.)

No. 182 Telegraphic [*W 19274/7/41*]

Immediate MOSCOW, *October 19, 1937, 1.46 p.m.* [*sic*]

Your telegram No. 117.[1]

Having finally failed to get in touch with Monsieur Litvinov who is out of town I made desired communication to Monsieur Potemkin[e][2] explaining extreme importance of Soviet attitude at today's meeting and urging that instructions should still be given to their representative. And I requested him to convey to Monsieur Litvinov your personal message urgently. He told me that the latter was away but expected back within a few hours and he would then immediately speak with him.[3]

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[1] No. 252.

[2] Deputy Commissar for Foreign Affairs.

[3] The 65th meeting of the Chairman's Sub-Committee of the N.I. Committee was held at the Foreign Office on October 19 with Mr. Eden in the chair. The French proposals (see No. 248, note 4) were discussed and M. Corbin made it clear that they had been intended to clarify and not to conflict with the British plan of July 14. The real difficulty, as Mr. Eden insisted in his summing up, 'was still the relation of the withdrawal of volunteers to the grant of belligerent rights'.

At the 66th meeting on October 20 at 3.30 p.m., with Mr. Eden again in the chair, Count Grandi made a long statement the gist of which was that the Italian Government were now ready to accept the British proposals of July 14 in their entirety, including the postponement of the question of belligerent rights until the report of the international commissions supervising the withdrawal of volunteers had been received. This statement was generally seen as a breakthrough and was referred to by both Mr. Eden and Mr. Chamberlain in their speeches in the adjournment debate in the House of Commons on October 21. Mr. Eden, in a wide survey of foreign affairs including the Mediterranean situation and the Far East, announced that the Italian and German Governments had 'substantially modified their attitude' towards the question of the withdrawal of volunteers, and that the Italian Government had made the suggestion 'that we should undertake in advance to agree to proportions based on the figures of the commission to be sent to Spain . . .' (327 *H.C. Deb. 5 s.*, cols. 57–67). In his speech the Prime Minister said that the events in the N.I. Committee the previous day 'have of course very largely knocked the bottom out of this Debate', and declared that the Italian change of attitude could herald the end of the Spanish conflict. See *ibid.*, cols. 168, 172.

No. 257

The Earl of Perth (Rome) to Mr. Eden (Received October 20, 9.30 a.m.)

No. 625 Telegraphic [*W 19336/7/41*]

ROME, *October 19, 1937, 11 p.m.*

All newspapers draw attention to *communiqués* of the number of Italian volunteers in Spain.[1] Gayda says that the other European Governments must now give numbers on the Red side. They know, he says, that these are much greater than those with Franco. Italy had given concrete figures. Her critics were attempting to confuse the issue by fantastic stories and accusations such as those of the *News Chronicle*. Gayda concludes by saying that Italian criticisms of British methods in Palestine are based on news coming from England.

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[1] According to *The Times* of October 19 (p. 15) the semi-official *Informazione Diplomatica* stated on October 18 that the 'Italian volunteers now in Spain amount to about 40,000, including naturally the services'. The Valencia Government, through its embassy in London,

Announcement that Red Volunteer Brigades are now dissolved and their troops enrolled in purely Spanish formations is received with sarcastic comments.

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declared in another press statement that 'the Spanish Government have information that there are 110,000 Italians in Spain to-day'. According to Reuter, authoritative military quarters in Valencia estimated the number of German aviation, artillery, tank, and other technical experts at about 10,000, and the number of Italian troops on General Franco's side as at least 100,000. The same quarters also declared that the Republicans had 15,000 foreigners, who were 'volunteers in the true sense of the word'.

No. 258

Memorandum by Mr. L.M. Robinson[1] *on the situation in Danzig*

[*C 7336/5/55*]

WARSAW, *October 19, 1937*

The High Commissioner's[2] policy has been to try to re-establish within the limits of what is now possible the contact between the League and Danzig which was almost lost through the events of 1936.[3] In order to do so he has had to let the National Socialists do virtually as they like in constitutional matters, only putting on a slight brake here and there. He had managed by these means to earn to some extent the confidence of the Gauleiter—as witness the fact that Herr Forster[4] came on his own initiative to read over to him the speech he was going to make at the Gauparteitag—and still more that of Herr Greiser.[5]

The argument used throughout by Dr. Burckhardt in urging moderation on Herr Forster is that nothing ought to be done in Danzig which might lessen the chances of an understanding between England and Germany, which he has believed to be a cardinal point in Herr Hitler's policy. It was with this idea in his mind that he visited Herr Hitler in Berlin on September 20th and heard from the Führer's mouth a most violent outburst against England, who had, the Führer said, rejected with contumely all his friendly approaches. This interview, from which Dr. Burckhardt had hoped much, has profoundly depressed him, and if this attitude persists it takes away the main basis of the High Commissioner's hopes of achieving any solid results by his mission in Danzig.[6]

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[1] Mr. Robinson had been H.M. Consul-General at Danzig since 1934. He was transferred to Hamburg in November 1937. This memorandum was sent to the Foreign Office by Sir H. Kennard, who wrote in a covering letter of October 19 that Mr. Robinson had paid him a farewell visit in Warsaw and that he had asked him 'to jot down his final impressions of the present and future situation at Danzig'.

[2] Dr. Burckhardt.

[3] See Volume XVI, No. 399, note 4, Volume XVII, Nos. 144, 242, and 362, and Volume XVIII, Nos. 57, 120, and 218.

[4] Nazi Gauleiter in Danzig.

[5] President of the Danzig Senate.

There is nevertheless no sign at present of Herr Forster having received instructions to proceed to extreme measures. The radical modification of the constitution, which he was believed to be anxious to introduce in July was postponed first until after the September session of the League Council and now in October Herr Forster's speech at the Danzig party rally[7] seems to indicate that no violent changes need be anticipated even for the January session of the Council. Action against the Jews is apparently to be limited to what can be achieved by propaganda and the only legislative change hinted at appears to be the introduction of a law creating a State youth organisation. It seems that if Herr Hitler, as he said to Dr. Burckhardt, believes that a flare up of the Danzig question would result in a simultaneous outburst of the Austrian and Czechoslovak questions he has given Herr Forster instructions to go slow until he sees more clearly ahead. Unless therefore some unexpected incident should occur, either in Danzig or elsewhere, to bring matters suddenly to a head, there appears to be no reason to anticipate violent changes in Danzig in the near future.

Some time before the spring of 1939, however, the question of new elections in Danzig must be faced by the National Socialists. It is interesting to note from a recent conversation of Herr Forster's with Dr. Burckhardt that he is not at all confident that the Nazis would obtain a safe majority in free elections even now. It may be taken for granted therefore that no free elections will take place. What seems most likely at the moment is that an election will eventually be staged which will give the population virtually no choice except to vote National Socialist.

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[6] It was decided to omit the preceding paragraph from the version of this memorandum which was printed for circulation, although a complete version was sent to Berlin. Mr. Strang explained in a minute of October 30 that 'we are keeping our information of what passed at the interview [between Dr. Burckhardt and Herr Hitler] pretty strictly to ourselves'. A record of this interview, made in French by Dr. Burckhardt, is filed at C 7394/5/55. The conversation chiefly concerned Danzig. Herr Hitler angrily demanded what possible interest England could have in Danzig, while Dr. Burckhardt tried to explain Mr. Eden's role as *rapporteur* to the League Committee of Three on Danzig. Herr Hitler became increasingly heated and accused England of constantly repelling his advances when his only desire was for friendship. According to Dr. Burckhardt, he shouted ('hors de lui et criant'), 'ils m'ont repoussé, ils m'ont toujours repoussé, c'est de la folie, vous entendez, de la pure folie'.

Lord Halifax commented on Dr. Burckhardt's conversation with Herr Hitler in a letter to Mr. Chamberlain of November 6, preserved in the Chamberlain papers. Referring to his proposed visit to Berlin (see No. 246, and Nos. 261, 264, 272, and 273 below), Lord Halifax said that he would like 'another talk with you and Van, & Anthony' about the line he would take in talks in Germany. 'The reported conversation doesn't, I'm afraid, either surprise or shock me very much. Nor do I think that it's necessarily incompatible with the desire to be friends with us . . . But it does show to my mind

a. a very tragic misunderstanding: and

b. the desirability of our recognising, and perhaps bringing greater sympathy to, [the German] point of view, &

c. how vital it is to go as far as we possibly can to meet it. Nationalism & Racialism is a powerful explosion, but I can't feel that it is either unnatural, or immoral'.'

[7] See *The Times*, October 11, 1937, p. 13.

Meanwhile the Nazis have a majority of 51 seats out of 72 in the Volkstag and the process of winning new adherents to the cause by imprisoning opposition deputies or forcing them to flee the country and then depriving them of their seats will no doubt continue. It is possible indeed that the whole Volkstag may become Nazi in this way before many months are out. The inability of the High Commissioner to stop this process is perhaps the main reason why members of the German minorities have ceased to come to him. If to this is added the fact that the Poles and Danzigers continue to settle their differences without recourse to him, it is clear that there is little in his position to encourage him.

The National Socialists have often boasted of the success which has attended their policy of negotiating direct with Poland, and so indeed it has in many ways. But they are no nearer then they ever were to adjusting their different points of view and so far as economic questions are concerned Danzig has steadily lost ground since the Nazis came into power. In proportion as the Nazification of the Free City and the linking up of the Danzig Nazi organisations with those of East Prussia proceeds, so does the demand for the maintenance or extension of Polish rights stiffen. The negotiations which have been proceeding since last December on this subject have so far led to no definite result, while irritation and suspicion on both sides appear to be growing. Danzig has not succeeded, in spite of the Harbour Agreement, in reaching equality with Gdynia, and there is nothing to indicate that it is ever likely to do so, while the position as regards Danzig's share of the Polish quotas is growing steadily worse. It has maintained its independent currency, but the Polish currency restrictions and clearing agreements make the conduct of business in Danzig increasingly difficult. The recent statement of the Bank of Danzig that the Free City could no longer continue the service of its foreign loans on the original terms—in spite of general boom conditions and the absence of any rearmament expenses to upset its finances, is a symptom of this malaise. The Polish desire to build up the port of Gdynia and to be independent of Danzig in its export and import business is natural enought, but if Poland wanted to keep Danzig, a more generous policy was needed. As it is, one may recall a phrase of Herr Forster's: 'The worse our position becomes, the sooner we shall go back to Germany'. How this change might come about can only be a matter for speculation. But advance along the lines of the last four years might sooner or later bring development to a point where a change would be almost imperceptible. One might almost say that two changes would suffice now to complete the process: the adoption of German currency and the change from Polish to German customs dues. If Danzig cannot maintain its own currency it is more likely to adopt the German mark than the Polish *zloty*, while the opening of the frontier between Danzig and East Prussia has already been attempted once.

No. 259

Note[1] *by Mr. Ashton-Gwatkin on the German economic position*

[*C 7434/78/18*]

BERLIN, *October 20, 1937*

Dr. Ritter, who has been Head of the Economic Department of the German Foreign Office for the last fifteen years, has just been appointed Ambassador at Rio de Janeiro, where he will serve for about three years before his final retirement. I called to say Good-bye to him to-day. He told me that he had definitely changed his ideas regarding international trade. The days of negotiations over customs duties, most-favoured-nation and comparative freedom of trade were over, and would probably never return. For in these days of state-directed trade, bilateralism, quota negotiations and clearings, the volume (if not the value) of international trade was in 1936 not far from what it had been in 1929. It was clear therefore that in spite of all the 'hindrances' trade was going on and would go on. Was it not better for each country, within reason, to produce what it was able to produce for itself; and not to be dependent on manufactures imported from abroad in return for the export of, perhaps, surplus agricultural products or vice versa. Better or not, that is what is going to happen, and the world must adapt itself to the process. Germany for instance was finding that the distortions forced by circumstances upon her foreign trade were not being so disastrous to her after all; in fact, along with disadvantages there were advantages, too. The new commercial policy in South Eastern Europe and in South America was definitely a good thing for Germany and for the countries concerned. She provided an enormous market for their goods; in return, she was now in a position to insist on their taking German goods in payment. She could even insist upon their selling her what she wanted e.g. in the case of Hungary, where Germany insisted on getting wheat (which the Hungarians wished to sell elsewhere) by refusing to buy cattle unless the wheat were sold to her as well.

Germany therefore holds the economic destiny of certain countries in her hand; and these countries will not be able to give up their exchange control systems, which is part of the machinery which sustains their trade with Germany, so long as this trade is of paramount importance to them. The Danubian countries, therefore, and the South East European countries will not give up their exchange controls until Germany gives up hers. And that is quite out of sight—perhaps in 10 or 15 years time, perhaps in our children's time, perhaps never. The whole shape of things has changed—by accidents, at first; but the world adapts itself to accidents; and now what was accidental is becoming regular. When the clearing processes started—forced first upon Germany by M. Stucki of Switzerland—he (Ritter) had never believed that it could turn, as it has turned, to Germany's advantage. Germany can now get what she wants, and pay in the way that suits her.

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[1] This note was written by Mr. F.T.A. Ashton-Gwatkin during a visit to Germany and forwarded by Mr. Pinsent of the British Embassy in Berlin to Mr. Jebb in a letter of October 27.

I asked whether within her own trading area Germany would consider the multiplicity of obstacles being removed, so that, for instance, one currency system should run from Köln to Ankara. Dr. Ritter said, Why should it? The present obstacles are not obstacles to *German* trade in this area; on the contrary, they protect and favour it. Why should Germany want to see any change?

I further asked Dr. Ritter whether there was any hope of Germany taking part or some part in the economic, as distinguished from the political work of the League. He said, Absolutely none, so long as political relations with the League have not been settled. And apart from this, he had reached the conclusion that multilateral discussions at Geneva did not lead to any practical result and were, in fact, waste of time. He had reached this conclusion reluctantly after having been associated with League economic work since 1925, when he had started off with high idealistic hopes. He thought that in economic negotiations, the bilateral method was the practical one; or at most a conference of three, four or five countries.

The Anglo-German Payments Agreement,[2] said Dr. Ritter, was a model of what could be done by common sense in getting over formidable difficulties. It was working admirably. The Belgian Agreement was on the same lines; the French Agreement was intended to be, but there were more restrictions and counter-checks; it was hoped to reach a similar agreement with the Netherlands. But the new form of the German economy would, Dr. Ritter thought, remain, with its exchange controls and other defences; and he believed that Italy and Japan would be forced to adopt a similar position, though he agreed that it would be more difficult for those countries, since their import market is not so strong as Germany and they have not got their constellation of satellite countries round them.

Dr. Ritter, it must be remembered, is a disillusioned negotiator of commercial treaties; the attitude of the Reichsbank, which still represents the ideals of an international financial system, is quite different. Mr. Pinsent and I saw Dr. Treue, a subordinate director and Dr. Puhl, a full director of the Reichsbank (Dr. P. had just returned from a standstill meeting in London)[3] on October 19th. Both these officials consider that the technical problem of the German exchange is not an insuperable one. They both ('and all of us in Germany') regard the exchange system, and all its attendant hindrances and limitations, with horror. They want to get rid of it, as soon as possible; and, said Dr. Puhl, if there were a political settlement, we could start getting rid of it the very next day.

I asked, What kind of political settlement. Dr. Puhl said, An alliance between England and Germany—it is what we all want. I asked, What about France? he said, Certainly France should and would come in to a settlement. He thought that the atmosphere in France was much better now, partly perhaps because the 'initiative' of policy had passed to England.

With a political settlement, the economic difficulties would disappear. Already, the budget position was improving, revenue was coming in well, the unemployment insurance fund is now repaying capital borrowed from the Exchequer, the short term borrowing was less. The internal financial position could be held; and the total foreign debt of about 10,000,000,000 RM. was not impossible to deal with, if interest adjustments were made and interest could be paid by a favourable balance of exports.

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[2] See Volume XII, Nos. 153 and 154.

[3] Cf. Volume XVIII, No. 107.

Dr. Puhl said that in his opinion the amount of would-be-refugee capital was probably not as much as was thought. A good deal of Jewish capital had been transferred in spite of loss. He had sometimes wondered whether it might not be possible to consolidate what was left of Jewish capital in a single Trust fund administered by the State in the interests of the legal owners.

Dr. Treue suggested that as regards the proceeds of exports accruing abroad to German subjects, the time was coming when these need not be surrendered in their entirety to the State, but, say as to 5 or 10 per cent, left at the disposal of the owners. This would stimulate exports and pay for itself.

In directions such as these, both Dr. Puhl and Dr. Treue saw possibilities of alleviation of the present hardships. They seemed resigned to, though not enthusiastic about the Four Year Plan. Dr. Treue seemed less hopeful than Dr. Puhl that the present situation could be ended early by agreement between States. He thought that, given peace, the economic situation would gradually and automatically, as it were, shake off its unabsorbable abnormalities, while adapting others to what would become its natural functioning in the future. He thought that the German exchange restrictions would automatically disappear but only after another decade perhaps, during which the foreign debt continued to be reduced on the same scale as at present, by the use of blocked marks for touring, etc.

Even Herr Herbert Goering, who is a cousin of General Goering's and is to some extent a link between General Goering and Dr. Schacht, and whom I met at dinner with Mr. Magowan, did not contemplate that Germany's 'closed economy' was a desirable thing or would last for ever. He said that a removal of the controls must depend on certain conditions such as completion of the rearmament plan, settlement of the foreign debt question, assurance of food supplies for the population and the stabilisation of the pound-dollar exchange.

None of the four persons mentioned above, referred to the colonial question in their talks with me. Herr Goering, who is about to visit Abyssinia, is completely sceptical about its possibilities as a source of economic wealth and assistance to Italy.

As for the ordinary people in Germany, my impression is that their life is far from being intolerable and that 'economic collapse' is not in the picture at all. Prices, as prices, have not appreciably risen during the last year. They are, of course, rigidly controlled. But the quality of goods has declined; and this constitutes a hidden rise of prices. One notices that the bread is odd (there is a large admixture of maize), though it is not disgusting. I am told that there is real difficulty in middle and upper class households about butter, eggs, meat (other than pork of which there is plenty); you can get these things, but only by ordering in advance and sometimes not on the day when they are wanted.

Care is however taken that working class districts are well supplied with the cheaper kinds of food. Textile fabrics and leather fabrics are on the down grade; they contain so much substitute material. The appearance, however, of a German city, (Berlin, Dresden, Cologne) is that it is adequately supplied and full of busy, fairly well paid people. The general appearance is that of a level higher than in Vienna or Prague. And Germans are ready to submit to a degree of restriction and regimentation against which a less docile people would rebel. All the same, the great event of the year to those families who could afford it will have been a visit to the Exhibition in Paris, which will have combined for them the pleasure of an interesting visit with the excitement of an adventure out of bounds.[4]

[4] A minute by Mr. Strang read: 'Dr. Ritter seems to me to be in closer touch with political and economic realities than Mr. Gwatkin's Reichsbank friends. W. Strang. 6/11.'

No. 260

Sir G. Ogilvie-Forbes (Berlin) to Mr. Eden (Received October 22)

No. 622 Saving: Telegraphic [*C 7267/270/18*]

BERLIN, *October 21, 1937*

Whilst it cannot be said that there is a press campaign against England, the tone of the press has for some little time been becoming increasingly hostile. Scarcely a day now passes without some anti-English article or message. Liberal quotations from the Italian press fill any lacuna in the German supply of ammunition.

The chief offenders are the Saxon press (Dresden, Leipzig and Chemnitz newspapers) and the Berlin Nazi newspapers (*Völkischer Beobachter* and *Angriff*). The *Völkischer Beobachter*, for example, has on the last three successive days published three long special articles of a violently anti-English character, two of them from the pen of the foreign editor, Dr. Schmidt (see my despatches No. 935[1] of October 19th and Nos. 942[1] and 945[1] of October 20th). Even if no political issue is involved, the opportunity is often taken of belittling or attacking England. For example, this evening's *Angriff* publishes a photograph of a soldier's child weeping, with the caption 'The little fellow does not seem to realise that these photographs are important for propaganda and recruiting purposes in the British Army'.

Dr. Goebbels, who controls the press, is notoriously a partisan of the Italo-German alliance and against further efforts to reach an understanding with England. Whilst pro-English elements here deplore the present attitude of the press, it is to be feared that Dr. Goebbels will eventually succeed in whipping up a considerable degree of anti-English sentiment in this impressionable people.[2]

[1] Not printed.

[2] Mr. Eden wrote on this telegram: 'Surely we must take this up and strongly.' Instructions to do so were sent to Sir G. Ogilvie-Forbes: see No. 267 below.

No. 261

Letter from Lord Halifax to Mr. Eric Parker

[C 7324/7324/18]

PRIVY COUNCIL OFFICE, LONDON, S.W., *October 21, 1937*

Dear Mr. Parker,

I have been able to look into the probable arrangement of business in the House of Lords, which was in my mind when I wrote yesterday telling you of my difficulty in giving a definite reply to the shooting invitation that the German Hunting Association have been good enought to extend to me in connection with the International Sporting Exhibition at Berlin.[1]

I now find that so far as I can judge I may reasonably hope to be able so to arrange business as to free myself for November 9th and 10th, and I should accordingly propose to travel over on Monday the 8th.

What I should really like to do would be to see something in the way of German sport, and I shall be quite content to leave it to my kind hosts to decide what they thought would be of most interest to me.

I should rather not actually shoot myself, as I strained my shoulder a week or two ago, and want to get it right. The doctors say that shooting is not the best cure!

If therefore I was allowed to come as a spectator of whatever those concerned thought would be of interest, I would willingly leave to them the decision of where I might most profitably take advantage of their invitation.

Yours sincerely,
HALIFAX

[1] Cf. No. 246.

No. 262

Sir H. G. Chilton[1] (Hendaye) to Mr. Eden (Received October 23)
No. 713 [W 19524/7/41]

HENDAYE, *October 21, 1937*

Sir,

In the course of conversation last night Señor Sangroniz[2] adverted to the question of the withdrawal of volunteers from Spain. He stated that General Franco would be perfectly willing to see them withdrawn on the basis of equal numbers from each side, a thousand for a thousand and so on. General Franco did not trust the Valencia Government and there would have to be a very strict system of control there. Also so many of the volunteers on the

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[1] H.M. Ambassador at Madrid. The Embassy had been evacuated to Hendaye, over the French border, in August 1936: see Volume XVII, No. 8, note 3.

[2] Head of General Franco's diplomatic cabinet.

Government side had been given Spanish nationality. How would they be dealt with? Señor Sangroniz again asserted that there were at the most 42,000 foreign volunteers fighting for General Franco and they were all at the same place. Those fighting for the Government were scattered about all over Spain and it would not be easy to count them. He assessed their numbers, however, at something in the neighbourhood of 76,000 to 80,000.[3]

2. Instructions had, he said, been sent to the Duke of Alba[4] to convey this information to the Authorities in London,

I have, etc.,
H.G. CHILTON

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[3] See No. 257, note 1.

[4] General Franco's unofficial agent in London.

No. 263

Letter from Mr. W. H. B. Mack[1] (Vienna) to Sir R. Vansittart (Received November 1)

[*R 7270/303/3*]

Most Secret VIENNA, *October 21, 1937*

My dear Vansittart,

Your Most Secret letter (R 6838/G) of the 14th October[2] arrived two days after Selby had left.[3]

Vienna has, as always in periods of heightened international tension, been busy with rumours for some weeks past—rumours which sometimes had a certain amount of plausibility, but, at the same time, could not be in any way substantiated. We are therefore always very chary of reporting them. The reports mentioned in your letter were for the most part, however, news to me and I therefore had no hesitation about passing them on. I thought that it would be better for me not to ask to see the Chancellor as Selby had seen him on the 13th October, Guido Schmidt is apt to be jealous if he is short-circuited, and it would have caused some comment if I had been received so soon after taking charge. I therefore thought it best to see Hornbostel[4] who could, I felt, be relied upon to see what I told him reached the Chancellor.

I accordingly saw Hornbostel yesterday (20th October) and gave him the main points of your letter, omitting, of course, the reference to Guido Schmidt. He listened attentively and immediately asked if the information came from a Czech source. I said that I could give him no indication as to the source, but that I was practically certain that it was not Czech. He said that the reason why he asked was that Hodza had told Schuschnigg a somewhat similar story when they met at Baden last month. He then proceeded to recount almost exactly the report recorded in Geneva telegram No. 82 Saving of the 29th September,[5] and added that Hodza had told Schuschnigg that he had instructed Krofta to bring it to the knowledge of the British and French Delegations at Geneva. In reply to my enquiry as to the amount of credence which Hodza attached to it, he said that Hodza had told the Chancellor that he regarded such reports as 90 per cent unreliable, but that there was the possible 10 per cent of truth in them which made it impossible to ignore them completely. (This is, incidentally, an interesting indication of the excellent relations which exist between Hodza and Schuschnigg). I told Hornbostel that I had heard of this report, but that it had a clearly different source from the report which I had just given him. Hornbostel then said that the report was news to him and that he was consequently unable to confirm it or otherwise. The external situation was, however, bad at present. Italy could not afford the same help that she had afforded to Austria in 1934. Italy and Germany were both terrified about Britain's rearmament and there were influences in both countries which felt that it was a question of now or never and consequently advocated a forcible challenge to Britain now.[6] The Germans were capable of anything and could not be trusted to keep their word and they were apt to encourage all kinds of rumours with a view to spreading alarm and despondency in Austria. He was not, however, himself inclined to attach excessive importance to the report, but he would lay it before the Chancellor and inform me of the latter's reaction.

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[1] First Secretary in H.M. Legation at Vienna.

[2] No. 250.

[3] Sir W. Selby had left Vienna to take up his post as H.M. Ambassador at Lisbon from December 11, 1937, on the retirement of Sir C. Wingfield. He was suceeded at Vienna by Mr. C.M. Palairet from December 17, 1937. Mr. Mack acted as Chargé d'Affaires in the meantime.

[4] Director of the Political Department of the Federal Chancery.

Hornbostel telephoned to me this morning and said that Guido Schmidt would me like to call on him this afternoon. I have just seen him. He said that he had already discussed with the Chancellor what I had told Hornbostel yesterday and which he asked me to repeat. He then gave me the following exposé which may be regarded as largely the *ipsissima verba* of the Chancellor. It was noteworthy that the Austrian Government had received three somewhat similar reports recently. One came from Münich and one from somewhere in Austria; he did not tell me the origin of the third. The Chancellor was not inclined to believe that German troops would cross the frontier, though he could not exclude the possibility; he thought it much more likely that they would continue methods of brow-beating and bullying. Extra precautions would, however, now be taken to guard against a repetition of July 1934; but a burglar sometimes found a means of breaking in even after the most elaborate devices had been installed. There were influences at work in Germany which did not approve of the 11th July Agreement[7]—he mentioned Goebbels and the Legionaries—and sometimes the friends and sometimes the opponents of that Agreement were on top in Germany. It was true, and this was most confidential, that the present moment was a bad one for Austria to face any aggressive act since last year's recruits under the universal service scheme had already been dismissed and the new recruits had only just begun their training. Italy could not repeat her action of 1934 owing to her committments [*sic*] elsewhere.[6] On the favourable side it had to be registered that Signor Mussolini had not given in in regard to Austria during his recent visit to Berlin.[8] I here interrupted to ask if the question had been discussed. He replied that Göring had taken it up. From the general point of view it was also a favourable indication that the Italians had just given way a little in London over the Spanish business. This he regarded as an indication that the Rome/Berlin axis was not regarded by Signor Mussolini as absolutely reliable. He assured me that he devoted anxious hours every day to trying to avoid giving the Germans the slightest provocation or the slightest excuse for complaint. There were, for example, at present only fourteen Nazis in Wöllersdorf. It was true that In der Maur[9] had just been arrested, but his was a clear case; he had apparently given interviews in which he declared that Austria is almost completely Nazi. In regard to the admission of Nazi Ministers Professor Srbik, a well-known national, had been offered the post of Vice-Chancellor on the conclusion of the Agreement of the 11th July 1936, and had refused it. This showed how difficult it was to satisfy the Germans. Summing up, he repeated that the Chancellor felt that the Germans were more likely to continue their methods of brow-beating than to adopt terrorism, though he could not exclude *any* possibility. The Chancellor thanked you warmly for bringing the report which had reached you to his notice and he hoped that you would be kind enough to pass on any similar reports or anything bearing on this report which might reach you. They would be treated with the greatest discretion. Only the Chancellor, Hornbostel, and he himself were aware that I had communicated this report and the Chancellor had decided no one else would be told. As I was leaving Schmidt said that in his view forcible action by Germany would lead to Armageddon and Germany could not want that now.

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[5] No. 205.

[6] This passage was marked with a cross by Sir R. Vansittart: see note 10 below.

[7] See Volume XVI, No. 436, note 4.

You will see from the above that Schmidt spoke very frankly and openly, as indeed he has always done to me—this time, it is true, on the Chancellor's direct instructions. In spite of close observation I have no evidence whatever that he is trying to ride two horses as your informant suggested. I must add, however, that he is ambitious, that he is regarded with some suspicion in various quarters, that he has made some enemies and I gather that he has annoyed some of the foreign Representatives here by treating them with a certain indifference and arrogance of manner. Independent Austrian friends say that his closest associates scorn the suggestion that he is Nazi-inclined. There is no reason to believe that he is at present trying to double-cross the Chancellor, whose line of policy remains absolutely firm and fixed and who keeps a tight hold of the reins of foreign policy. A rumour reached me recently from a German source that the Chancellor intends to make a change and send Schmidt as Minister to Berlin. The fact that this came from a German source may perhaps be regarded as an indication that the Germans are disappointed that they have not got more out of him.

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[8] Cf. Nos. 215 and 225.

[9] An Austrian journalist who was arrested for expressing extreme Nazi views in an article in *L'Indépendance Belge.*

In regard to Herr von Papen, rumour has been busy with his future for more than a year and has always associated him with the post of Ambassador in London or Rome. He is on leave at present and the German Counsellor told me yesterday that he did not know when he would return as he might pay a visit to Roumania first. I had some talk with Papen last month before he went on leave and he was then patting himself on the back vigorously for the peaceful summer we had in Austria—'That's the result of my policy, my dear Mack'. This must have been less than a week before the conversation with Hitler mentioned by your informant.

I have not been able to establish that the Berlin wireless announced that the Rotunda had been fired by Communists. Neither Schmidt nor Hornbostel reacted to the suggestion.

It is interesting to note that the Chancellor's diagnosis of the position as given to me by Schmidt corresponds with the reports which have reached me from 'other sources'.[10]

Yours ever, and with sincere apologies for the length of this letter,

W.H.B. Mack

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[10] Sir O. Sargent thought this letter 'well worth reading' (November 6). In response to a suggestion by Mr. Bramwell that copies of it should be sent to Rome and Berlin, however, Sir R. Vansittart minuted on November 8: 'But don't send this letter, or any part of it, either to Rome or Berlin. Our archives are not safe in either place. The passages which I have marked [see note 6 above] . . . shd. be read together, and with Signor Cerrutti's [*sic*] statement on leaving Paris that Mussolini means to attack England [see No. 282 below]. The S. of S. might use this ensemble in the Cabinet with a view to getting a real move on rearmament.'

No. 264

Mr. Eden to Sir G. Ogilvie-Forbes (Berlin)

No. 184 Telegraphic [*C 7324/7324/18*]

FOREIGN OFFICE, *October 22, 1937, 5.30 p.m.*

Following from Private Secretary.[1]

Lord Halifax has accepted an invitation of the German Hunting Association to come to Germany on November 8th for three days in connection with the International Sporting Exhibition in Berlin.[2] The Secretary of State would like you to arrange for him to be met and to give him all assistance you can. Details about his arrangements will be sent to you later.

While in Germany, Lord Halifax hopes that he will not only be meeting Germans connected with shooting and the Secretary of State would like to have your views on the likelihood of[3] other Germans such as General Göring and even Herr Hitler himself[4] asking him to come and see them. It would clearly be undesirable that Lord Halifax should accept this invitation unless we could be reasonably sure that he would see some persons in authority.[5]

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[1] Mr. O.C. Harvey.

[2] See Nos. 246 and 261.

[3] In the draft of this telegram the words 'likelihood of' were substituted in Mr. Eden's handwriting for 'possibility and desirability of his meeting'.

[4] The wording from this point to the end of the telegram was added to the draft by Mr. Eden.

[5] Sir G. Ogilvie-Forbes's reply to this telegram, telegram No. 253 of October 27, has not been kept in F.O. archives. It apparently suggested that Lord Halifax should make the proposed visit and chance the finding of a sufficient number of Ministers in Berlin to make the visit worthwhile.

No. 265

Mr. Eden to Sir E. Phipps (Paris)

No. 1993 [*C 7289/1/18*]

FOREIGN OFFICE, *October 22, 1937*

Sir,

In my despatch No. 1682 of the 31st August[1] I transmitted to your Excellency a copy of a despatch (No. 311 of the 30th August)[1] to His Majesty's Chargé d'Affaires at Warsaw enclosing a memorandum communicated by the Polish Chargé d'Affaires[2] regarding the attitude of the Polish Government towards the negotiations for a new Western European Pact to replace the Treaty of Locarno. It is understood that a copy of this memorandum was also communicated to the French Government at the time.

2. You will be aware from Sir Howard Kennard's telegram No. 36 of the 7th September,[3] which was repeated to you, that, before leaving Warsaw for Paris and Geneva, Colonel Beck informed Sir Howard Kennard that he intended to discuss the question of the Polish Government's attitude to the Western Pact negotiations with M. Delbos and with myself. Colonel Beck did not, however, raise the question with me at Geneva, and I have not heard whether he has had any conversation on the subject with M. Delbos. I shall be glad if you will try to discover whether Colonel Beck has, in fact, raised the subject with M. Delbos, as he told Sir Howard Kennard was his intention, and, if so, what was the outcome of their conversation.

3. In making these enquiries you may explain the attitude of His Majesty's Government to the questions raised in the Polish Government's memorandum by informing the French authorities of the general nature of the language which it is intended to use to the Polish Ambassador in the event of his making a further approach to the Foreign Office. You can say that in this event it is proposed in the first place to ask his Excellency to state definitely whether it is the object of his Government to secure that the proposed new Western European Pact shall cover Germany's eastern frontier as well as Germany's western frontier. If so, it would be explained to the Polish Ambassador that, as His Majesty's Government would not be a party to any new agreement respecting Eastern Europe, they are not immediately

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[1] Not printed.

[2] No. 105.

[3] No. 131.

concerned. His Majesty's Government had hoped that it would be enough, from Poland's point of view, if the operation of the existing Franco-Polish Treaty were safeguarded in the proposed new Western Treaty in a manner satisfactory both to Poland and to France. The new Polish suggestions would complicate an already complicated situation in connexion with the Western Treaty negotiations. Moreover, if it is contemplated that Poland should take part in the negotiations for a Western European Pact to replace the Treaty of Locarno, the Ambassador would be warned that His Majesty's Government could not defend or justify any inclusion of Poland which did not also apply to Czechoslovakia. His Majesty's Government, for their part, would have great difficulty in agreeing that the conclusion of a new Western Treaty, if such should prove to be possible, should be made dependent upon the simultaneous conclusion of some new arrangement in regard to Eastern Europe, such as the Polish Government seem to have in mind. Please see, in this connexion, my despatches to Sir Howard Kennard, No. 209 of the 16th June[4] and No. 232 of the 29th June,[5] and subsequent correspondence.

4. Lastly, the Ambassador would be asked whether his Government think that their proposals, whatever they may be, would be acceptable either to Germany or to France.

I am, &c.,
ANTHONY EDEN

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[4] Volume XVIII, No. 621.

[5] *Ibid.*, No. 667.

No. 266

The Earl of Perth (Rome) to Mr. Eden (Received October 25)

No. 880 [*R 7059/1/22*]

Urgent ROME, *October 22, 1937*

Sir,

In the instructions which you sent to me in your telegram No. 313 of October 1st,[1] with regard to the possibilities of fresh conversations between Count Ciano and myself, you laid down certain conditions in regard to progress towards a solution of the Spanish problem which must be fulfilled before the discussions could begin.

2. As you are aware from my telegram No. 583 of October 2nd,[2] I embodied these instructions in an Aide-Mémoire which I handed to Count Ciano on that date. The latter informed me that as the conversations had been linked up with the Spanish question, he was not able to give me an answer to the Aide-Mémoire until he had consulted Signor Mussolini. This was at the time of the invitation to Italy to participate in Three Power talks about Spain—an invitation which was refused.

3. The refusal was, however, accompanied by a proposal that the Spanish

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[1] No. 217.

[2] No. 219.

problem should again be discussed at the Non-Intervention Committee. This proposal was accepted by His Majesty's Government and in your interview with Count Grandi on October 15th (see last sentence of paragraph 2 of your telegram No. 321)[3] you told the Ambassador that if he was able to accept whole-heartedly the three points you intended to place before the Committee, Count Ciano and I might enter upon conversations with real prospects of achieving results.

4. When, on your instructions, I saw Count Ciano on October 15th (see my telegram No. 614)[4] I urged his acceptance of these proposals on the grounds that such agreement would constitute real progress in European affairs and would enable him and myself to begin our conversations, which I was most anxious to do. Count Ciano said that he shared my wish about the conversations—actually he added that he was ready to begin them 'at any moment I liked'.

5. I notice in your telegram No. 329[5] of October 18th to Cairo, that you informed the Egyptian Government that we had had as yet no definite reply from the Italian Government to our proposals for conversations. I do not think that we shall receive one unless I raise the matter again, since the Minister for Foreign Affairs apparently considers that the next step should come from us. He probably holds that as we laid down the conditions it is for us to say whether we consider that sufficient progress has been made in regard to their execution to allow the conversations to begin. As I have explained, however, he had indicated his readiness to start discussions at any moment.

6. Such being the situation, I should be grateful if I might, in due course, receive instructions as to when you wish me again to broach the question with Count Ciano. It would, in my view, be a mistake to do so unless and until His Majesty's Government feel ready to agree to the early opening of the conversations.

I have, etc.,
PERTH

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[3] See No. 247, note 7.

[4] No. 251.

[5] Not printed.

No. 267

Mr. Eden to Sir G. Ogilvie-Forbes (Berlin)

No. 185 Telegraphic [*C 7267/270/18*]

FOREIGN OFFICE, *October 23, 1937, 10.30 p.m.*

Your telegram No. 622 Saving.[1]

Anti-British tone of German press is creating most unfavourable impression.

Unless you see any objection to following course of action, you should immediately ask for an interview with Minister for Foreign Affairs and speak to him most seriously on this subject, showing him such instances of recent press effusions as you consider most likely to reinforce your argument, and drawing his attention to deplorable political effect which continuance of this campaign is likely to produce. You should emphasise serious view I take of the matter, and do all you can to induce him to give the necessary orders to ensure that recrudescence of press polemics is checked before it does serious harm.

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[1] No. 260.

You should refer in particular to the violently anti-British character given in the German press to all news from Palestine.

You should emphasise that tone of British press has not been such as to give any justification whatever for such an anti-British attitude on the part of the officially controlled press in Germany.

No. 268

Sir E. Phipps (Paris) to Mr. Eden (Received October 24)

No. 639 Saving: Telegraphic [*W 19343/7/41*]

PARIS, *October 23, 1937*

I had some conversation this morning with the Minister for Foreign Affairs, whom I found quite calm and reasonable, though somewhat depressed, over the latest set-back in the London Committee.[1]

M. Delbos feels that things must not be allowed to drift indefinitely and that the departure of the Commissions to both sides in Spain should be hastened as much as possible.

His Excellency remarked that the smaller Powers were closely watching our attitude in regard to Spain, and that any signs of undue weakness on our part would produce a very bad effect upon them. M. Stoyadinovitch, during his recent visit here, had used the same metaphor as he had done to you[2] about the Yugoslav mouse between the German and Italian cats, and had indicated in polite terms that he was waiting to see how much courage the French and British cats showed towards Mussolini.

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[1] The 67th meeting of the Chairman's Sub-Committee of the N.I. Committee was held on Friday, October 22 at the Foreign Office with Mr. Eden in the chair. The Committee discussed the terms of a draft resolution based on the British plan of July 14 for the withdrawal of volunteers from Spain, which Italy had agreed to accept (see No. 256, note 3). In the course of the discussion Count Grandi announced that his government would not necessarily accept the findings of the commission which was to be sent to Spain to report on the numbers and proportions of volunteers. He was supported by the German and Portuguese representatives. Despite Mr. Eden's argument that there was no point in appointing a commission if the committee were not prepared to accept their findings, this issue remained unresolved at the end of the meeting when it was decided to refer the point, and the draft resolution, to the respective governments. In his diary for October 24 (*The Diplomatic Diaries of Oliver Harvey*, *op. cit.*, pp. 53–4) Mr. O. C. Harvey recorded the 'general amazement' with which this Italian change of attitude was greeted. He noted that by going back on his previous statement Count Grandi 'has given the whole show away . . . i.e. that Italy does not want agreement, she only wants to gain time and she is afraid that we would abandon Soviets and be ready to make agreement over their heads'. Count Grandi's new standpoint was also embarrassing in view of the speeches made by Mr. Eden and the Prime Minister in the House of Commons on October 21: see No. 256, note 3.

[2] Cf. No. 249.

In this connexion M. Delbos told me that King Carol had remarked quite recently to the French Minister at Bucharest that although his personal sympathies were with Franco he was watching with interest Anglo-French reactions to Italian aggressiveness.

Finally His Excellency told me that General Gamelin, who has just returned from the East, had been very agreeably surprised by the state of efficiency of the Roumanian Army. The Yugoslav Army, on the other hand, seemed to be less ready.

M. Delbos, though he showed no enthusiasm for M. Stoyadinovitch, seemed on the whole more reconciled to his presence at the head of the Yugoslav government.

No. 269

Foreign Office memorandum on British strategical requirements in the Mediterranean[1]

[*R 7339/1/22*]

FOREIGN OFFICE, *October 25, 1937*

The Chiefs of Staff have, at the request of the Foreign Office, provided two papers giving their views on the bases of the projected Anglo-Italian conversations. These two papers are (1) C.I.D. Paper No. 1347B of August 12th,[2] and (2) C.I.D. Paper No. 1350B of September 29th.[3]

The first of these papers dealt with (a) the tentative proposal put forward by Count Grandi that there might be an 'exchange of information about naval, military and air arrangements in the Mediterranean', and with (b) the possibility of an attempt by Italy to induce His Majesty's Government, in advance of a general international convention, to agree to some form of naval, military, or air limitation in the Mediterranean.

In their report of August 12th the Chiefs of Staff came to the conclusion that as regards (a) they were prepared, within limits, to entertain this proposal, and that as regards (b) they considered that we should avoid being drawn into any such attempt by Italy.

The second of these papers replied to certain further points which the Foreign Office had put to the Chiefs of Staff. Among other things the Foreign Office wished to know whether the Chiefs of Staff had themselves any desiderata in the field of defence requirements which they would wish to see put forward on the British side in the proposed conversations, and in particular they desired to know whether the Chiefs of Staff agreed that two particular questions stated by the Foreign Office should be included among such British desiderata namely:

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[1] A minute by Mr. P. Nichols said that this memorandum was prepared in the Southern Department on the instructions of Sir O. Sargent.

[2] No. 91.

[3] No. 209.

(a) the question of reducing the Italian garrison in Libya to the 1934, i.e. normal, level, and

(b) the question of securing from the Italian Government not only the re-affirmation of previous pledges with regard to the general status quo in the Mediterranean, but also an assurance that all Italian volunteers would be withdrawn from Spain so soon as volunteers on the Government side were evacuated, and that meanwhile all Italians would be withdrawn from the Balearic Islands.

In the summary of their conclusions and recommendations at the end of their report of September 29th, the Chiefs of Staff write that they consider that 'it would be inadvisable to enter into discussions on questions regarding the Libyan garrison (and) Italian intervention in Spain and the Balearic Islands.'

It is the purpose of this paper to suggest that these conclusions are ill based.

What are the objects, from the point of view of His Majesty's Government, of the projected Anglo-Italian conversations? Generally speaking, to restore harmony in the Mediterranean and thus to preserve our line of communications through that sea, while ensuring so far as possible the security of other British interests in that and adjacent areas. Unfortunately, however, it is not possible to regard the Mediterranean as a self-contained problem. It is, and must be regarded as, a part of the European problem as a whole. Therefore to take action, or to fail to take action, in the Mediterranean has repercussions in a much wider area.

Balearic Islands. It will scarcely be disputed that if the British Empire is ever to be engaged in a struggle for existence it will almost certainly be on the same side as France. What weakens France, therefore, impairs our own chance of survival. France holds that failure to ensure the evacuation of the Balearic Islands by Italy endangers her strategic safety. She holds this belief because the presence of Italy in these Islands threatens her vital line of communications with North Africa. The first argument, therefore, in favour of obtaining Italian evacuation is that we cannot afford to see France weakened; and that, even if we could afford such a shortsighted luxury, we should be ill-advised to indulge in it.

The second argument is that it is to our *own* interests that the Italians should not remain in the Balearic Islands. The Chiefs of Staff give it as their opinion that 'no strong strategical reasons appear to exist at the moment for demanding the evacuation of the Balearic Islands by Italian personnel, though such a course might well be desirable for political reasons' (paragraph 8 of their report of September 29th). The responsibility for this statement considered from the strategic aspect rests with the Chiefs of Staff alone. The Foreign Office are responsible for the political aspects, which cannot be ignored, and that for reasons which the Chiefs of Staff themselves deal with in their next paragraph (paragraph 9). The Chiefs of Staff there state that 'we consider that the whole question of Italian intervention in Spain is in any case highly controversial, and it can hardly be hoped that the introduction of this subject will contribute to the restoration of better relations with Italy, which remains the principal object of the conversations.' This argument, however, has now, by the mere force and logic of events, become largely academic and can no longer be sustained. For the Spanish question has pushed itself into the centre of the stage, where it cannot be blinked; and it is *now* (although it may not have been so a few months ago) the main obstacle in the way of 'the restoration of better relations with Italy.' That situation must be dealt with before these relations are susceptible of improvement. No permanent appeasement in the Mediterranean is indeed possible until the Spanish ulcer is lanced, and the state of public opinion in Europe and in this country supports and reinforces this view. In fact, it is in the highest degree improbable that Anglo-Italian conversations could take place, with the approval of British public opinion, until some progress had been made in the Spanish question. In any case press and parliamentary polemics would remain to re-poison any temporary clearing of the atmosphere. Efforts are now being made in the Non-Intervention Committee to deal with the question of foreign volunteers generally but no special provision has been made by the Committee for dealing specifically with the Balearic problem. In these circumstances the Foreign Office hold that the least His Majesty's Government can do in the proposed Anglo-Italian conversations is to reiterate that if there is to be any progress towards an Anglo-Italian understanding the Balearic Islands must be left to be the playground or battle-field of Spaniards alone. For it must be remembered that even if there be no direct strategical threat in the continued occupation of these Islands by Italians, the presence of the latter at the end of the civil war is only too likely to be used by Rome as a means of pressure on ourselves. Such pressure is anticipated by our smaller, but not unimportant, clients in the Mediterranean; and to fail to avert it will be to impair their confidence in us. The presence of Italians there may yet constitute a very useful bargaining counter, and their evacuation might well be traded against advantages elsewhere, e.g. a demand for representation on the Suez Canal board. It can of course be argued that Count Ciano may be speaking the truth when he says that the Italians have no intention of remaining in these Islands; and that no Spanish nationalist could survive who ceded them to Italy at the price of Italian support; but experience tells us that Italian assurances are not to be relied on; and hardly anyone in Europe at heart believes in these pledges, either as regards the Islands or the mainland. It is generally assumed that there will be no annexations, but it is equally assumed that the new Government will be induced or compelled to grant concessions for naval and aerial bases. In the view of the Foreign Office such prospects should be reduced to a minimum.

Libyan Garrison. As regards the Libyan garrison, the Foreign Office are not impressed by the arguments adduced by the Chiefs of Staff in favour of leaving this question severely alone. Since their report of September 29th was written, the Italians have informed us of their intention to send the 21st as well as the 20th Army Corps to North Africa. Italian strength in Libya can hardly be estimated at less than 60 thousand white troops. We have 2,000 white troops and 4,500 soldiers of the Sudan Defence Force (natives) in the Sudan while in Kenya there are only 1,200 native troops. In Malta we have two battalions. An Italian attempt to count heads could therefore be regarded with equanimity. Indeed the gambit would be almost comic, seeing that our forces could be multiplied several times, and still not be within sight of parity. Moreover any mention of the Sudan Defence Force would obviously and automatically raise the comparison with Italian strength in Abyssinia, thereby rendering any request for British reductions even more preposterous. No government would in fact be likely to put itself in such an untenable position. This large garrison in Libya can only, in the view of the Foreign Office, have one strategic (as opposed to administrative) object, viz. to threaten or exercise pressure upon, Egypt or Tunis. It has been argued, with less probability, that Libya may be destined for use as a jumping off ground for Spain. But Libya lies in the opposite direction, and to approach Spain in this fashion would be in the nature of a triangular long-jump, an expensive and unnatural gait for a semi-bankrupt State. Hitherto there has been no lack of Italians direct from Naples.

Its political object may be gauged from the speech made by Signor Mussolini to his officers (which was not publicly reported) at the conclusion of the manoeuvres in Sicily last August (August 13th–19th). After referring in the course of this speech to the difficulties which an English force would encounter in attempting to effect a landing in Sicily—particularly that supplied by the island of Pantelleria—he said:— 'In a few days' time we will send two infantry divisions to Libya, and if the forthcoming negotiations do not go well, we will send some more'. The forthcoming negotiations were of course the Anglo-Italian conversations which were envisaged in the exchange of letters between the Prime Minister and Signor Mussolini at the end of July[4] but which have not yet been initiated. These words of the Duce's show that the reinforcement of the garrison is designed as a direct means of pressure upon ourselves.

Further and more recent evidence that the despatch of troops to Libya is to be regarded from a political angle is provided by a statement published on October 9th in the semi-official *Informazione Diplomatica*. This statement ended with the words 'It is *only* because of *necessities of an international character*—foreign to the position and policy to Egypt—that Italy is reinforcing and, if need be, will subsequently reinforce her garrisons in Libya'. The italics speak for themselves.

In the view of the Chiefs of Staff 'the dominating factor however, appears to be the question of prestige' (see paragraph 5 of Report of September 29th); but the evidence quoted suggests that behind the façade of prestige is the reality of blackmail.

The strategic aspects of the increase in this garrison are, of course, a matter for the Chiefs of Staff, and if they are satisfied that the threat to British and

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[4] See Nos. 65 and 81.

Egyptian interests is not to be taken seriously,—incidentally recent telegrams from our own Commanders in the Mediterranean seem to show that they at least do not underestimate the dangers—the Foreign Office will not attempt to trespass on this field.[5] It should be added, however, that His Majesty's Ambassador in Egypt shares the aforesaid apprehension. And this is natural. Public opinion, and above all local public opinion, can hardly be expected to grasp the technical considerations which influence the Chiefs of Staff. An army, more than half of which is mechanized, of 60,000 white troops in Libya appears to the untutored layman to constitute a direct threat to the security of Egypt and Tunis. They have in Libya a first line air strength of 180 machines which could severely bomb the crowded cities of Cairo and Alexandria with effects that can easily be imagined. There is ample evidence to prove that, for example the Egyptian Government are very comprehensibly and specifically alarmed and are consequently looking to His Majesty's Government to help them either by obtaining a specific reduction in the garrison, or, more generally, by an immediate readiness to come to their aid in case of emergency. This we are, of course, bound to do under the Treaty. It will be difficult—perhaps impossible—to retain their confidence in the teeth of intensive Italian anti-British propaganda, if neither of these courses were to be followed.

It remains to emphasise fully that whatever we attain or do not attain in the course of these conversations will be most carefully scrutinised and examined by the minor Mediterranean Powers—Turkey, Greece and Yugoslavia. These Powers are all suspicious of Italy: they all, it is true, are anxious for better relations between Italy and ourselves; but they will *not* welcome an improvement which merely increases Italy's prestige and nuisance-value while doing nothing to improve ours. Indeed they will draw their own conclusions from any apparent shrinking on our part to grasp nettles; and those conclusions will not be to our advantage.

It is therefore maintained (1) that we should continue to aim at an evacuation of the Italian elements in the Balearic Islands both in the Non-Intervention Committee and in the course of the Anglo-Italian Conversations when they begin, and (2) that during the latter conversations we should do our utmost to reach an understanding with the Italians which would keep the Libyan garrison within reasonable bounds, if, as indeed seems likely, it is impossible to induce them to bring the garrison back to its 1934 strength; failing this that we should seek to obtain assurances from Italy which would calm international apprehensions as to the use to which that garrison would be put.[6]

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[5] The Cabinet on October 20 considered a report by the C.O.S. Sub-Committee on recommendations received by telegraph from the local Commanders of the three services for immediate steps to be taken to strengthen the defences of Egypt. They referred particularly to Italian troop movements to Libya and to the Italian Government's nomination of Signor Parini, considered to be 'notoriously anti-British', as Minister at Cairo. The C.O.S. wanted to know whether the political situation vis-à-vis Italy had deteriorated to such an extent 'as to warrant a departure from our present instructions for taking no obtrusive measures for the additional security of Egypt'. After considerable debate the Cabinet agreed that the answer to this question 'should be in the negative'.

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[6] Sir R. Vansittart sent this memorandum to Mr. Eden on October 25 with the comment: 'I think we now have the best of the argument.' He noted on November 1 that the C.I.D. were waiting for a copy of the memorandum to print for the Cabinet and therefore Mr. Eden's approval was required, but that he had spoken to Sir M. Hankey and the matter could be held up for a while.

No. 270

Sir E. Phipps (Paris) to Mr. Eden (Received October 27)

No. 1245 [*C 7387/1/18*]

PARIS, *October 26, 1937*

Sir,

With a view to carrying out the instructions contained in your despatch No. 1993[1] of the 22nd instant regarding Poland's attitude to the Western Pact negotiations, I informed M. Delbos yesterday evening of the attitude of His Majesty's Government to the questions raised in the Polish memorandum of August 27th last[2] and of the general nature of the language which it is intended to use to the Polish Ambassador in case he should make a further approach to your department.

2. M. Delbos had no fault to find with this language, but remarked that his own language would, though similar in substance, have to be somewhat modified in form, both in view of the Franco-Polish alliance, and of the far more friendly and reasonable attitude displayed towards France lately by the Polish Government in general and by Colonel Beck in particular. The latter had informed him recently quite explicitly that France could rely upon Poland to carry out loyally and faithfully the letter and the spirit of the alliance.

3. In reply to a question on my part M. Delbos said that Colonel Beck had only referred very vaguely at Paris, and not at all at Geneva, to the attitude of Poland towards a Western Pact. His Excellency feels that unless the Polish Representatives in London and Paris bring the matter up again it had better be allowed to rest.

I have, etc.,
ERIC PHIPPS

[1] No. 265.

[2] No. 105.

No. 271

Mr. Eden to Viscount Chilston (Moscow)

No. 128 Telegraphic [*W 19876/7/41*]

Most Immediate FOREIGN OFFICE, *October 27, 1937, 6.25 p.m.*

Your telegram No. 182.[1]

Position in Non-Intervention Committee is so critical[2] and possible consequences of Soviet attitude so serious that I must now take step foreshadowed in Mr. Collier's conversation with you on October 6th[3] and ask you to apply for special personal interview with M. Stalin.[4] (If this is absolutely refused you should in last resort accept interview with M. Litvinov).

At meeting yesterday[5] Soviet Ambassador first added further conditions to Soviet offer to consider belligerent rights when all troops were withdrawn: viz. that Soviet Government must be satisfied that no Power had any further intention of intervening and that no new troops were to be sent; and though in subsequent discussions he indicated that they might perhaps agree to belligerent rights when bulk of troops had gone and it was seen that there were no new arrivals and that Powers were 'in a new frame of mind' on intervention, this is still far from an acceptance of Anglo-French plan.

Italian Ambassador having explained away his former objection to accept estimate of numbers of volunteers by proposed Commission,[6] Soviet attitude is the only apparent obstacle to further progress, and prospect is now either that Germans and Italians will make Soviet attitude and consequent lack of unanimity reason for refusing to proceed further, or that other Powers will proceed without Soviet Government.

Consequences in either case must far transcend present Spanish issue. In first case blame for breakdown will plausibly be ascribed to Soviet Government alone, and in second case discussion between remaining four Powers must lead to isolation of Soviet Russia, at least on this issue.

If, on other hand, Soviet Government support Anglo-French plan, Spanish negotiations will either break down through Italian and German intransigence—as is quite possible—in which case blame for consequences will be universally placed on Italian and German shoulders, or troops will in fact be removed, as Soviet Government desire.

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[1] No. 256.

[2] Cf. *ibid.*, note 3, and No. 268, note 1.

[3] An account of this conversation by Mr. Collier dated October 6 is attached to this file.

[4] General Secretary of the Central Committee of the Communist Party of the Soviet Union.

[5] i.e. the 68th meeting of the Chairman's Sub-Committee of the N.I. Committee, held in the Foreign Office on October 26 at 4 p.m. with Mr. Eden in the chair.

[6] See No. 268, note 1. At the October 26 meeting Count Grandi retreated from his previous position, explaining that he felt that the question of 'the binding or non-binding value of the figures to be communicated to us by the Commissions to be sent to Spain' had been raised 'rather prematurely'. He now said that the credibility of the findings of the commissions would depend on the manner of appointment of the commissions, the mandate entrusted to them, and their methods of work.

You may be asked, as you suggested on October 6th,[7] whether His Majesty's Government can say that they will not enter into Four Power Pact in any case. You cannot give a definite guarantee on such a matter, but you can point out that His Majesty's Government and French Government have hitherto refused to consider any general agreement which would ignore interests of Soviet Government in Eastern Europe and that they have done their utmost to make possible Soviet collaboration on non-intervention committee and in international sphere generally. Present Soviet policy, in short, is playing German and Italian game.

You may also be asked, as I was asked by Soviet Ambassador on October 14th (see my despatch No. 488),[8] whether Soviet Government could be sure, if they met our wishes, that there would be no further concessions to Germans and Italians on Spanish question. I cannot guarantee that there will be no compromise on points of detail, but it should be clear from statements made when Anglo-French plan was presented and from subsequent acceptance of all its principles by Germans and Italians, that there is no likelihood of any concession which will prevent it attaining its main objects: impartial estimate of number of volunteers to be accepted by all parties, and their speedy removal thereafter, without grant of belligerent rights until it has made substantial progress.

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[7] To Mr. Collier: see note 3 above.

[8] No. 248.

No. 272

Minute[1] by Sir O. Sargent on Lord Halifax's proposed visit to Germany

[C 7324/7324/18]

FOREIGN OFFICE, *October 27, 1937*

I notice from the telegrams that arrangements are being made for Lord Halifax to see Hitler and other prominent Germans early next month in Berlin. The telegram[2] somewhat gave me the impression that Lord Halifax was being sent on a special mission and that his desire to visit the hunting exhibition was used merely as a pretext to disguise his real object. I understand, however, that this is not the case, and that the idea of his seeing Goering and Co. was only an afterthought and not a primary motive. But in any case we must face the fact that the public, both in this country and in Germany, will give to Lord Halifax's visit a definite political significance.

I presume that Lord Halifax's intention is merely to make a *tour d'horizon* on the lines of those which have taken place in the past, without any intention or prospect of embarking upon concrete discussions or making or hearing definite proposals. In that case I think it would be advisable that we should explain the situation to the French as soon as the visit is made public, so that the French press shall not jump to false conclusions.

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[1] Addressed to Sir R. Vansittart.

[2] No. 264.

Moreover there are two other considerations which I think ought to be borne in mind. Sir Nevile Henderson has in recent conversations elicited some very definite statements and proposals from General Goering. It is considered that it would be unwise to allow these statements and proposals to pass unanswered, and we are considering instructing Sir N. Henderson to resume his conversations, either with Goering or with Neurath, with a view to our making a definite proposal on our part.[3] If Sir N. Henderson is to be entrusted with the conduct of these discussions, it would be inconvenient, to say the least of it, if Lord Halifax's interviews in Berlin coincided with Sir N. Henderson's conversations.

Again, from a recent Brussels telegram[4] it would seem that Neurath himself may attend the Brussels Conference for the express purpose of meeting the Secretary of State. If so, important discussions may ensue which may affect the nature and course of Sir N. Henderson's subsequent conversations in Berlin. But apart from this, if Lord Halifax were to proceed to Berlin the week after the Secretary of State had met Neurath in Brussels, it would certainly be thought that Lord Halifax was being sent to Berlin in order to continue the conversations initiated by the S/S in Brussels. Is it desirable that Lord Halifax should be placed in such a position?[5]

O. G. SARGENT

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[3] See No. 238, note 4.

[4] No. 72 of October 26, not kept in F.O. archives. It referred to the plans for a Far Eastern conference of the signatories of the Nine Power treaty concerning China of February 6, 1922, following a resolution adopted by the League Assembly on October 6, 1937. The signatories, and other states which had subsequently adhered to the Nine Power treaty, were invited to consult together to seek an end to the Sino-Japanese conflict: see No. 222, note 2. Subsequently Germany and Italy declined the invitation, and the conference, which met on November 3 in Brussels, ended ineffectually on November 24. These aspects of the Far Eastern situation will be dealt with in a subsequent volume of this series.

Mr. Eden hoped that Baron von Neurath and Count Ciano would attend the conference in person, which would give an opportunity for general discussion. At a Cabinet meeting on October 27 he 'called attention to a telegram he had received from His Majesty's Ambassador at Brussels reporting that, according to Baron von Neurath's son, who was a Secretary in the German Embassy in Brussels, Baron von Neurath was thinking of attending the Brussels Conference in person. He himself had telegraphed to say that this would be a great advantage, and he had also telegraphed to the Italian Foreign Minister suggesting that he also should try and attend. Their presence, apart from the Far Eastern discussions, might afford an opportunity to discuss affairs in Spain.' See *D.G.F.P.*, Series D, vol. i, Nos. 13 and 14: cf. also Nos. 494–7.

[5] Sir A. Cadogan commented on this minute (October 27): 'I understand that Ld. Halifax has already accepted the invitation, and it might therefore be undesirable to cancel it . . . As for public comment, that will undoubtedly be both misinformed and mischievous, but that will have to be risked.' Sir R. Vansittart wrote (October 27): 'The visit was arranged—on second thoughts—before the S. of S. arranged to meet Herr von Neurath (probably) at Brussels. Had we known of this probability, it is also probable that Lord Halifax wd. not have gone to Berlin. As it is, the arrangements can hardly be altered in spite of all the speculation that they will arouse. He will of course have to be briefed. And we shall have to consult & consider carefully, for we now have 3 strings going at once (S. of S., Lord Halifax, & N. Henderson) & we really must not get them crossed.'

No. 273

Minute by Mr. Eden

[C 7324/7324/18]

FOREIGN OFFICE, *October 27, 1937*

I have spoken to Lord Halifax and Sir N. Henderson[1] together. The former will listen and confine himself to warning comment on Austria and Czecho-slovakia. None the less I should like a short brief prepared on the latter.[2] I have impressed on Sir N. Henderson the need for doing all we can to *discourage* German initiative in these two states. We must keep Germany guessing as to our attitude. It is all we can do until we are strong enough to talk to Germany.

But it would help Lord Halifax if he could know all we have for *Sudetendeutsche* and the difficulties from the Czech angle.[3]

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[1] Cf. No. 238, note 1.

[2] A note by Mr. Bramwell of November 8 said that a brief had been prepared for Lord Halifax on the *Sudetendeutsch* question. This paper of November 17 is filed at R 7653/188/12, but a note on the file by Mr. E. M. B. Ingram, who had returned from Rome to become head of the Southern Department in October 1937, said that it had been decided 'not to burden Lord Halifax with this'.

[3] In a letter of October 27 to Mr. Eden, a copy of which is kept in PREM 1/330, Lord Halifax wrote that he had been to see Mr. Chamberlain after his conversation with Mr. Eden, and that the Prime Minister was 'very strong that I ought to manage to see Hitler—even if it meant going to Berchtergarten [*sic*]—or whatever the place is'. Cf. No. 310 below.

No. 274

Mr. Eden to Sir N. Henderson (Berlin)

No. 1288 [C 7451/270/18]

FOREIGN OFFICE, *October 27, 1937*

Sir,

The German Ambassador asked to see me this afternoon when he said that on his return from his conversation with Herr Hitler in Germany he was anxious to review with me the general international situation. In effect, however, Herr von Ribbentrop's conversation was almost exclusively concerned with the activities of the Communist Party in various parts of the world, which seem now to obsess him to the exclusion of all other considerations. He expressed himself concerned by the reports that Dimitroff[1] was now in Paris and by the rumours of increased Communist activity in Brussels and in Holland, and asked me anxiously what was the state of affairs in England. I replied that we had virtually no Communists in this country, except those whom Sir Oswald Moseley [*sic*] was creating. This comment seemed to puzzle His Excellency, who asked me to elucidate my meaning and to explain how it was conceivable that Fascism could create Communism. After some minutes spent in unfruitful attempts to explain to the German Ambassador to the United Kingdom something of the political outlook of the people whose views it is his duty to report to the German Government, I then turned the conversation to the situation in the Far East.[2]

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[1] Secretary of the Executive Committee of the Comintern.

2. His Excellency was in good spirits and remarked that he was glad to note that relations between our two countries seemed to be steadily improving. I replied that I too shared his gratification at this state of affairs and took the opportunity of pointing out that the existing improvement would be further encouraged if the German Government were able to take steps to check the extravagances of their press in respect of the situation in Palestine. I explained to His Excellency that you had complained to me of the reports with which the German newspapers were filled of our difficulties in Palestine and the alleged brutalities of our troops. Herr von Ribbontrop professed to have heard none of these things, but undertook to mention them on his return to Berlin. I added that it seemed that Herr Goebbels had on this occasion let himself loose at our expense.

3. Finally His Excellency said that he believed that there had been various reasons given for his visit to Rome.[3] This, however, was entirely concerned with his anti-Communist activities. It was this point of view and not major political decisions which had resulted in Rome and Berlin being drawn closer together. Both their political religions were founded on antagonism to Communism. I would understand that he was the Führer's first adviser on foreign policy and, therefore, he had often to make these journeys in pursuance of the Führer's instructions. He regretted that the British press should criticise this practice. I replied that, if I might speak frankly, such criticism was inevitable. We here regarded His Excellency as Ambassador to the Court of St. James. In such conditions it was an unusual experience for us, and by no means a popular one, to see an Ambassador accredited here spending time in capitals other than our own and his own. While we understood that the Ambassador might wish to consult his own Government

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[2] The following passage was drafted in Mr. Eden's handwriting for inclusion in the despatch at this point, and subsequently deleted. 'Here again however the Ambassador explained that his interest was anti-communist. Japan was the enemy of Russia, therefore he wanted Japan to win. The Chinese were not bad people, he was even sorry for them but that could not be helped. The war would not last long and then the Far East would settle down again. The suggestion that the war would impoverish one of Germany's chief markets His Excellency was not prepared to consider seriously.'

[3] Herr von Ribbentrop went to Rome on November 5 1937 to sign, as Herr Hitler's representative, the protocol of November 6 whereby Italy adhered to the Anti-Comintern Pact signed by Germany and Japan on November 25, 1936: see Volume XVII, No. 421, note 3. The protocol is printed in *D.G.F.P.*, Series D, vol. i, No. 17. The negotiations leading to its signature were mainly conducted by the *Dienststelle Ribbentrop*, Herr von Ribbentrop's foreign affairs service for Herr Hitler, which seems on this occasion to have pursued a policy at variance with that of the German Foreign Office: see *D.G.F.P.*, *ibid.*, Nos. 9, 10, 485, and 488. The secret agreement which was attached to the original Anti-Comintern Pact is also printed *ibid.*, No. 463, note 2a.

personally at intervals, we certainly did not understand that he should find it necessary to proceed to other capitals. I feared that, if this practice were persisted in, criticism in this country would continue and it would not be possible for us to say that it had no justification. His Excellency would perhaps not be offended at the knowledge that we much desired that he would spend the greatest possible measure of time in his work with us in London. Herr von Ribbentrop appeared gratified at this aspect of the matter, which had not previously occurred to him and left assuring me once again of his satisfaction at the better relations between England and Germany. I refrained from telling His Excellency my view of the contribution which he had made to this alleged improvement.[4]

I am, etc.,
ANTHONY EDEN

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[4] Herr von Ribbentrop refers to this conversation with Mr. Eden in his memoirs, *Zwischen London und Moskau* (1953), p. 112.

No. 275

Sir G. Ogilvie-Forbes (Berlin) to Mr. Eden (Received October 29, 12.30 p.m.)

No. 256 Telegraphic: by telephone [*C 7452/37/18*]

BERLIN, *October 29, 1937*

The conjunction of Signor Mussolini's speech[1] with the *Times* leading article of Thursday[2] has once more brought the Colonial question to the forefront in current issues of the newspapers. Signor Mussolini's remarks are of course received with unbounded satisfaction. Leading articles emphasise the value of Italian support of Germany's claims (see last paragraph of Sir N. Henderson's telegram No. 214 of September 8th[3]).

The *Times* article is inevitably welcomed as representing a step forward, but equally attacked for each one of the reserves which it makes.

The general line taken is that with the appearance of the article the Colonial question is ripe for discussion, though the *D*[*eutsche*] *A*[*llgemeine*]

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[1] Signor Mussolini addressed a large audience in the *Foro Mussolini* outside Rome on October 28 on the fifteenth anniversary of the Fascist march on Rome, in the presence of a group of Nazi visitors. He said that the sign of the sixteenth year of the Fascist era was 'Peace... a word which the bleating flocks of the reactionary so-called great democracies have used and abused'. He also said: 'If peace is to be lasting and fruitful, Bolshevism must be eliminated from Europe, beginning with Spain. Certain glaringly absurd clauses of the Peace Treaties must be revised. A great people such as the German people must regain the place which is due to it, and which it used to have beneath the sun of Africa.'

[2] 'The Claim to Colonies', *The Times*, October 28, 1937, p. 17.

[3] This telegram of September 8 referred to Signor Mussolini's visit to Germany (see Nos. 215 and 225). The last paragraph read: 'If German public are ever told by Herr Hitler that Italy will help them to realise German national aspirations there will be no need to whip up enthusiasm for Signor Mussolini. Meanwhile it may be assumed that the party will take the usual measures to assure a more than adequate welcome.'

Z[*eitung*] notices the passage where His Majesty's Government is described as lagging behind the public opinion. Nevertheless the *Times* continues its refusal to support any solution of the problem commensurate with the importance which it now admits attaches to it. In particular the suggestion that Germany should have some acceptable field of development in Africa is considered vague and smacking of some contemplated discrimination.

Equally unwelcome is the suggested connexion of the problem with a general settlement. The *Völkischer Beobachter* says that it hopes this is only a survival from a stock of antique quotations and is not seriously meant and there is a general anticipatory refusal to link colonies with Spain, arms limitation, an eastern or even a western pact. Another *Times* suggestion to which exception is taken is that the Colonial question is not one for Great Britain alone. England, says the *Berliner Tageblatt*, was principally responsible at Versailles, and the father of the mandatory system was General Smuts. The same paper also observes that according to Herr Hitler 'there can be no doubt that we can only contemplate as the fulfilment of our demands in this field the complete reversal of the wrong done us.'

There is no mention of the *Times* remarks in regard to German breaches of faith.[4]

[4] *The Times*, referring to the limits imposed on Germany 'twenty years ago', said that she had broken those limits here and there 'by methods which are creditable neither to herself nor to the rest of the world'.

No. 276

Viscount Chilston (Moscow) to Mr. Eden (Received October 29, 5.45 p.m.)

No. 188 Telegraphic [*W 19912/7/41*]

Immediate MOSCOW, *October 29, 1937, 6.22 p.m.* [*sic*]

Your telegram 128.[1]

I immediately applied for a special interview with M. Stalin. As I had feared the reply was that he had for some time past abstained from receiving foreign representatives (as a matter of fact he has never done so except when Foreign Ministers were visiting here) and it was regretted that he could not see me.

This morning I have seen M. Litvinov and earnestly urged him to realise the critical situation and dangers consequent on Soviet obstruction of Anglo-French efforts to save non-intervention in Spain. I laid stress upon the isolated position in which Soviet Government whose co-operation we had tried to retain in this and all international matters must find themselves if they refused to come into the agreement.

I regret to say that the Soviet Government is apparently not prepared to depart from their principle not to agree to accord belligerent rights to Franco until it is proved that foreign troops have actually been withdrawn and that there have been no new arrivals. Soviet Government do not believe, even if Italians agree to estimates of numbers by proposed Commission, that they will really withdraw troops in substantial numbers; and that meanwhile there is no guarantee that they will not send *more* troops. In fact they believe that even now more are probably being sent. Soviet Government could not help feeling that our proposals would not be effective in stopping intervention but could only afford further delay to Italians; and they were afraid of 'further concessions' being made to the latter (although I countered this fear by speaking in the sense of last sentence of your telegram under reference).

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[1] No. 271.

As to isolation of Soviet Government in any further proceedings by the Committee M. Litvinov did not seem to be affected and said that instructions had been given to M. Maisky that when the question of according belligerent rights arose he should not oppose but should merely abstain from voting.[2]

[2] At the 69th meeting of the Chairman's Sub-Committee on October 29 M. Maisky maintained the Soviet position: 'I have once more to reiterate that the Soviet Government cannot any longer take upon itself any responsibility for a policy of non-intervention which it considers to be unjust, futile and tending to encourage aggressors.' He would, therefore, on the instructions of his government, refrain from voting on the preamble and paragraph 2 of the draft resolution embodying the British plan of July 14 and its subsequent amendments, which the sub-committee had ready for submission to a plenary meeting of the N.I.C.: see No. 277 below.

No. 277

Draft Resolution[1] *adopted by the Chairman's Sub-Committee of the N.I.C. on October 29, 1937*

[*W 20255/169/41*]

2 WHITEHALL GARDENS, S.W.1, *October 29, 1937*

The Representatives on the Sub-Committee have agreed to accept all the nine points of the United Kingdom Government's plan of the 14th July, 1937,[2] dealing with the withdrawal of volunteers, the grant of belligerent rights and the problem of control, with such additional measures as may be deemed necessary to render the control fully effective, special account being taken of the proposals in this connection contained in the van Dulm–Hemming Report.

The Representatives on the Sub-Committee have further agreed

(1) That the Chairman should be authorised to approach forthwith the authorities in both parts of Spain with a view to securing their concurrence at the earliest possible date in the following proposals:

(*a*) that the authorities in each part of Spain should agree to co-operate in the withdrawal, under international supervision, of all persons engaged in the present conflict who are of non-Spanish nationality or who were of non-Spanish nationality at its outbreak in July 1936, as defined in the Eighth Report of Technical Advisory Sub-Committee No. 3 (Committee Paper N.I.S.(36)525).[3]

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[1] Published in *The Times*, October 30, 1937, p. 16, and circulated to the N.I.C. under cover of document N.I.S. (36)693.

[2] No. 38.

(*b*) that two Commissions should be appointed, one being sent to each party in Spain in order

  (i) in conjunction with the appropriate Spanish authorities to estimate the total number of non-Spanish nationals (as defined in (*a*) above) to be withdrawn and to report as rapidly as possible to the Non-Intervention Committee the result of their inquiry;

  (ii) to concert arrangements with the appropriate Spanish authorities, in accordance with the principles laid down in the Report of the Technical Advisory Sub-Committee referred to in (*a*) above, for the withdrawal from Spain of non-Spanish nationals as defined in that report;

  (iii) to carry out in the manner determined by the Non-Intervention Committee the withdrawal from both sides in Spain in accordance with the proportions of the numbers of non-Spanish nationals serving on each side;

NOTE. Arrangements should be made for the nomination by the Non-Intervention Committee at the earliest possible moment of the persons of whom the two Commissions will be composed, and an immediate start should be made in the drafting of the terms of reference and general instructions to be given to the two Commissions.

(2) that in seeking the concurrence of the authorities in both parts of Spain to the proposals contained in paragraph (1) above, the Chairman should inform them that each of the participating Governments will grant belligerent rights to the two parties in Spain to the extent, and on the conditions, laid down in paragraphs 3 and 8 (iii) of the plan proposed by the United Kingdom Government on the 14th July, 1937;

NOTE. Arrangements should be made for the appointment of a Technical Advisory Sub-Committee to advise on all the questions arising from the execution of paragraphs 3 and 8 (iii) of the United Kingdom Government's plan of the 14th July last, relating to the grant of belligerent rights to the two parties in Spain.

(3) that, as from a date to be determined by the Non-Intervention Committee and which should shortly precede the commencement of the withdrawal of non-Spanish nationals from Spain, observation on the Franco-Spanish and Portuguese-Spanish frontiers should be restored and strengthened simultaneously with the adoption of measures to strengthen the Sea Observation Scheme in the manner indicated in the preamble to the present resolution;

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[3] See Volume XVIII, No. 543.

(4) that each of the participating Governments should reaffirm its existing engagements not to permit the despatch from, or the transit through or over, its territories of arms or of war material, covered by the Non-Intervention Agreement, or of non-Spanish nationals proposing to proceed to Spain for the purpose of taking part in the present conflict.[4]

[4] This resolution was put before the Chairman's Sub-Committee at its 70th meeting on November 2. After discussion it was agreed to submit it to the main Non-Intervention Committee, together with a supplementary resolution authorizing the Chairman to approach the two parties in Spain forthwith to obtain their agreement to the resolution as a whole, making clear the attitudes of the various governments to the several parts of the resolution. Pending replies from the Spanish parties the Sub-Committee was to examine the questions arising out of the execution of the resolution, and what practical measures might be required to meet the situation arising from the Soviet abstention on belligerent rights.

Though maintaining his position M. Maisky's attitude had been more accommodating at the meeting on November 2: in a letter of November 3 on file W 20261/7/41 Mr. Makins commented that the Soviet Ambassador realised 'that his instructions put him in a false position and was willing to strain them as far as they would go. He went so far as to hint that the Soviet attitude might change if the Committee looked like achieving results'. The ultimate difficulty of the Italian and German attitude, however, remained: see No. 292 below.

No. 278

The Earl of Perth (Rome) to Mr. Eden (Received October 30, 9.30 a.m.)

No. 653 Telegraphic [*R 7247/1/22*]

Important ROME, *October 30, 1937, 12.40 a.m.*

Owing to difficulty of seeing Count Ciano during the Fascist celebrations I thought it better to convey to him in writing the message contained in your telegram No. 338.[1]

Minister for Foreign Affairs who asked me to come to see him this evening said he had consulted Signor Mussolini and that they both appreciated very much the suggestion you had made. I felt that he was genuinely pleased about it. He stated however that he had made important engagements in Rome during the first days of November and that it would be very difficult for him to free himself from them. Further he said that in Signor Mussolini's view conversations between you and himself which incidentally must receive great publicity (he remarked that already the press were paying far more attention to possibility of such a meeting at Brussels than to the Sino-Japanese dispute) could not be usefully undertaken without more adequate preparation. People everywhere would expect results and if nothing in particular happened conclusions drawn would be that discussions had failed. For these reasons they had decided that he could not go to Brussels as suggested. At the same time this did not preclude the possibility of his going there at a later stage either in, say, ten or fifteen days after the opening. He presumed that the Conference would last some time and an occasion might be taken of an important meeting at which both might feel it desirable to be present. This would allow time for events to develop.

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[1] Not kept in F.O. archives: it referred to Mr. Eden's desire to meet Count Ciano (and Baron von Neurath) for general discussions during the Brussels Conference. See No. 272, note 4, and *D.G.F.P.*, *op. cit.*, No. 14.

I tried to persuade him that his attendance at the opening meeting of the Conference would be quite natural and that a personal survey of the international situation between you and himself could not but be helpful. As regards preparation I said I did not see what preparations were to be made. I presumed that your idea was not that there should be any formal conversations on particular subjects but only a general survey. I failed, however, to move him from his original decision.

Incidentally he remarked that Signor Mussolini had been considerably irritated and a little influenced by a message from the Havas agency. The Minister for Foreign Affairs observed that while he had received the letter from me with pleasure simultaneously this cold douche arrived. I remarked that the letter I had sent him was an authoritative message and that it would be a great mistake to be influenced by Havas message even if the latter came from London. He gave me the message in question and I cannot see why it should cause any annoyance but it has apparently done so. It may be that the reference in the last sentence which speaks of any meeting of heads of delegation as being useful has upset Signor Mussolini's susceptibilities by implying a diminution of the importance of the particular meeting between you and the Minister for Foreign Affairs.

My immediately following telegram contains Havas' message in question.[2]

My personal impression is that Count Ciano would have liked to go but Signor Mussolini has forbidden him to do so for the time being.

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[2] Not kept in F.O. archives.

No. 279

Message from Commander in Chief (Mediterranean) to Admiralty

No. 216 Telegraphic [*W 20533/23/41*]

Secret Immediate *October 30, 1937, 8.33 p.m.*

I have just had a very satisfactory and pleasant meeting with French and Italian Admirals.[1]

2. Everything which could be settled locally was easily disposed of without argument or difficulty.

3. Italian and French agreed to accept code and signalling procedure which we had prepared, copies of which will be forwarded by post. Italians also agreed to adopt (?black) ball signals for merchant ships sighting submarines.

4. There is only one snag. Article 4 of Nyon Agreement gave French and

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[1] See No. 214, note 2.

British ships authority to operate inside territorial waters of Signatory's [*sic*] powers. This authority is not referred to in Admiralty message 2330 October 1st giving me details of Paris Agreement. Italian Admiral raised this point very definitely and asked whether same facilities were accorded to Italian as to French and British. He pointed out that it would be impossible to obtain permission on each occasion that it was required if a submarine was being hunted and if they did not have this right it would hamper them in case of routes 12 and 13 which pass close to Crete. Both Admiral Esteva and I agreed this was a question for decision by our Governments. I am sure that its refusal would cause Italians serious umbrage and if for any reason this facility is withheld from them, I consider it should also be surrendered by French and ourselves.[2] We do not really require it to be laid down as up to the present we have not made use of it except in the case of Turks where it has caused protest. If our destroyers were hunting a submarine to destroy it I would see they continued to do so irrespective of territorial waters. Admiral Esteva concurred in this view.

5. As regards routes both Italian and French agree that on route 12 point L was situated 30 miles 249 degrees from north point of Zante Island and that point M was situated 033 degrees 30 minutes north, 025 degrees 00 minutes east, consequently I agreed to accept this.

6. French Admiral desired to extend French submarine exercise area to read 'a zone bounded by coast and following line: Cape Guardia to a position two miles north of Cape Zebia to a position two miles north of Plane Island to Island of Zecbra to Ras el Ahmer'. This was agreed by Bernotti and myself.

7. Admiral Esteva referred to recent attacks by aircraft on shipping on high seas and expressed opinion that its continuance might compel us to adopt a system of escort. I pointed out some of the disadvantages which this would entail but added that if such attacks continued we might be forced to consider it.

8. Question of date of agreement coming into operation was raised by Italian Admiral who suggested 10th November. It was agreed that subject to consent of all necessary Powers having been obtained by 10th November, it should become operative on that date. If however Admiral Bernotti found he could not complete his plans by then, notice to this effect would be given to British and French Governments by Rome.[3]

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[2] It was agreed that, despite Admiralty objections, this concession should be made. Mr. Shuckburgh minuted on November 5: '. . . we must do this and convince the Admiralty that this is a political question . . .'

[3] It was agreed that the Naval Agreement should come into force on November 10, following the receipt of a note from the Italian Government on November 8 announcing the readiness of their patrols.

CHAPTER IV

Lord Halifax's visit to Germany: Anglo-French conversations in London

November 1–30, 1937

No. 280

Foreign Office[1] to Mr. Newton (Prague)

No. 34 Telegraphic [R 7107/188/12]

FOREIGN OFFICE, *November 1, 1937, 4 p.m.*

I am grateful for your telegram No. 98 Saving[2] with which I am in general agreement. I am also satisfied in the light of recent developments that a further determined effort is required (1) to convince President Beneš that the situation is fraught with serious possibilities and (2) to overcome French reluctance to concert with ourselves in offering similar advice to our own.[3]

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[1] Mr. Eden left London on November 1 to attend the Brussels Conference. Sir A. Cadogan went with him.

[2] This telegram of October 23 referred to Herr Henlein's views on the *Sudetendeutsche* problem as expressed to Sir R. Vansittart (see No. 253). Mr. Newton felt that as Dr. Beneš seemed to be in a very confident mood at present he would be unlikely to consider granting autonomy to the German minority, and that to offer such advice from His Majesty's Government would be neither useful nor wise. He approved, however, of renewed pressure on Dr. Beneš to remove some of the *Sudetendeutsche* minority's grievances and improve their political position.

[3] A long memorandum by Mr. Bramwell of October 21 summarizing recent developments in the situation of the German minority in Czechoslovakia had led to extensive discussion of this question. Mr. Ingram wrote (October 25) that Herr Henlein's views corresponded 'with our own impression (a) that the situation has seriously deteriorated and that Henlein is now at the extreme end of his tether, and (b) that a measure of compromise could be reached were it not for Dr. Beneš, whom we suspect of playing with the problem for electoral and other reasons...' Sir O. Sargent agreed (October 26) that 'a disunited and distraught Czechoslovakia constitutes not merely a danger to itself but a danger to Europe, and it is therefore in all our interests to insist that a real effort should be made, even at this eleventh hour, to produce a contented and united Czechoslovakia which alone would be capable of constituting a bulwark against German aggression in Central Europe'. He felt that although Anglo-French representations would be more effective, in the meantime Mr. Newton should see Dr. Beneš to discuss Herr Henlein's conversation with Sir R. Vansittart, and should be consulted as to whether to follow this up with 'a direct warning and advice'. Sir A. Cadogan and Sir R. Vansittart agreed.

I hope to have an opportunity during the Brussels Conference of discussing (2) with the French Minister for Foreign Affairs.

As regards (1), other things being equal it would of course be preferable to wait until we are in line with the French before saying anything to Dr. Beneš, since, as you observe, joint Anglo-French representations would clearly be much more effective than representations by ourselves alone.

On the other hand this involves delay and in the meantime Herr Henlein, very improperly, has put us in an embarrassing position by stating in his open letter to the President of the 18th October[4] that when in London recently he 'met with the greatest understanding'.

In order, therefore, to allay any irritation or suspicions which this statement may have aroused among the Czechs I am considering the desirability of instructing you to see the President and make it clear to M. Beneš that we consider that when Herr Henlein used his phrase about sympathy in London he was referring doubtless to sympathies in the press and in the House of Commons, and that these are tendencies of which His Majesty's Government are of course aware and of which they must inevitably take some account. Having gone so far it may seem a pity not to follow this up with a direct warning on the lines contemplated in para. 4 of your telegram under reference. But before instructing you in this sense I should welcome your views by telegram.

[4] A copy of this letter was communicated to the British Legation in Prague by the Press Agency of the 'Sudetic German Party' on October 18, and was forwarded to the Foreign Office the next day (R 7016/188/12). Its main purpose was to protest against police interference and alleged brutality when Herr Henlein addressed a meeting of his followers at Teplitz on October 17.

No. 281

Sir G. Ogilvie-Forbes (Berlin) to Foreign Office
(Received November 1, 5.50 p.m.)

No. 257 Telegraphic [*C 7506/37/18*]

BERLIN, *November 1, 1937, 5.28 p.m.*

My telegram No. 649 Saving.[1]

Rumours have been in circulation for some time that Herr Hitler intends shortly to summon the Reichstag and make a new peace offer to the world. The general settlement he is to propose will of course include revision of Colonial clauses of the Treaty of Versailles.

These rumours have gained strength since von Epp's Munich speech in which he talked of 'coming action' of the Chancellor.[2]

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[1] In this telegram of October 29 Sir G. Ogilvie-Forbes pointed out that in his Reichstag speech of March 7 1936 Herr Hitler had spoken of a colonial settlement as following a general settlement: now it seemed that the 'colonial question is to be settled first and a general settlement may be attempted later'.

[2] General von Epp was head of the Nazi Colonial Political Office. His speech at Munich on October 29 was reported in *The Times*, October 30, 1937, p. 14.

However this may be, there is some reason to believe that on the Colonial question the press is in advance of German Government. Thus some newspapers quote Herr Hitler's Buckeberg reference to mandated territories as German 'property' and claim return of the whole German Colonial Empire.[3] No such claim has yet been made in private by any German statesman and indeed there seems to be a tacit understanding in well-informed quarters that the return of Tanganyika cannot be expected. Again, whilst the press demurs to the return of colonies being made conditional on a general settlement, it is possible that the German Government would at the present moment be prepared at least to open negotiations on that basis.

The extreme attitude of German press can be accounted for in two ways. First, it will make any offer the German Government may put forward seem more reasonable. Secondly, the press derives its inspiration from Dr. Goebbels, who is anti-English.

[3] See No. 227, note 3.

No. 282

Letter from Sir E. Phipps (Paris) to Mr. Eden

[*R 7531/1/22*]

Private & Secret PARIS, *November 1, 1937*

My dear Anthony,

My telegram No. 671 Saving[1] of to-day.

I think it only right to let you know that Cerruti, shortly before leaving Paris, told an intimate Italian friend, who repeated it to Pertinax,[2] that he (Cerruti) was convinced that Mussolini wanted to make war upon Great Britain, and that it was the purest illusion to think that he could be detached from Hitler: it would, however, he believed, be possible to detach Hitler from Mussolini. Cerruti also said that Mussolini counted very much upon Stoyadinovitch in case of war.

The above information was passed on to a member of my staff by Pertinax. The Italian source in question has hitherto been trustworthy. We must, of course, remember that Cerruti's gloomy views may have been partly inspired by his feeling for some time past that his number was up.[3]

Yours sincerely,
ERIC PHIPPS

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[1] In this telegram of November 1 Sir E. Phipps reported a conversation of October 31 with the Italian Ambassador, who left Paris on that day. Although technically Signor Cerruti was going on leave, he was in fact withdrawn by the Italian Government because of his 'optimistic reports about France' with which Signor Mussolini and Count Ciano did not agree: see *Ciano's Diary*, *op. cit.*, pp. 20 and 27.

[2] The French journalist, M. André Géraud.

[3] A note by Mr. Harvey on the filed copy of this letter read: 'Seen by S. of S. who wd. like Sir R. V[ansittart] to see it. He thinks P.M. & some of Cabinet shd. perhaps see it.' In a minute of

November 6 addressed to Mr. Eden Sir R. Vansittart wrote: 'This shd. indeed be known to the P.M., &, I think, to the Cabinet as a whole. A great many of your colleagues, and the public servants who work with them, have no idea of the real urgency & danger of our position. Nothing but a really great shake-up in the Cabinet seems to me capable of getting the necessity of rearmament seen in the right light & pace. It is surely of no use for the Chancellor to say that he cannot afford more than £200,000,000 for upkeep. A larger sum—for a while at least—will be cheaper than destruction.'

A concluding minute of November 9 by Mr. Hoyer Millar read: 'The S. of S. showed this yesterday to the Prime Minister. He does not however wish to circulate it to the Cabinet.'

No. 283

Sir N. Henderson[1] *(Berlin) to Foreign Office*
(Received November 2, 6.50 p.m.)

No. 260 Telegraphic [*C 7549/7324/18*]

Confidential BERLIN, *November 2, 1937, 6.40 p.m.*

I called on Minister for Foreign Affairs this morning and discussed question of visit of Lord President of the Council.[2]

His Excellency will speak to Chancellor probably tomorrow. He expected that Herr Hitler would in any case not be able to see Lord Halifax before November 11th. I said that I had not anticipated an earlier date, hoping for Chancellor to fix a day, and that all I asked was that for obvious reasons it should be during period of exhibition.

Baron von Neurath adopted attitude that Herr Hitler had made so many advances to Great Britain without result that he might now see no reason to jump at a hand so reluctantly held out to him. Nevertheless I hope to learn his reply by Thursday[3] at latest.[4]

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[1] Sir N. Henderson resumed charge of the Berlin Embassy on his return from leave on November 1: cf. No. 238, note 1.

[2] See No. 264, and *ibid.*, note 5.

[3] i.e. November 4.

[4] In Mr. Eden's absence Sir R. Vansittart sent copies of this telegram and No. 262 (No. 284 below) to Mr. Chamberlain. Comment in the Foreign Office was cool. Mr. Strang minuted on November 4 that 'it will appear to the Germans that we are pressing that [Lord Halifax] should be received by the Chancellor . . . It is particularly unfortunate that Lord Halifax's visit will probably take place before we can settle what is to be said to Herr Hitler or General Goering or Baron von Neurath on the main question raised during Sir N. Henderson's recent conversation with General Goering at Rominten [see No. 238]'; Sir O. Sargent wrote in the course of a long minute of November 5: 'I don't at all like this cadging for an invitation from Hitler to Lord Halifax.' Referring to telegram No. 262 he added: 'I am sorry, therefore, that Sir N. Henderson should have used Herr von Hassell in the way he did.'

In a minute of November 5 addressed to Mr. Eden, Sir R. Vansittart wrote: 'The Prime Minister & you shd, I think, both see these minues. I have little doubt that the rather snotty last paragraph of this telegram [No. 260] is due to Hitler's forthcoming pronouncement about colonies in the Reichstag [see No. 281]. Once he has got that off his chest, he may be a little less snotty; and anyhow all depends on what he says & not on what Neurath says. If he is reasonably cordial & forthcoming Lord Halifax's visit would still be possible and might be opportune. But if the great man is no more welcoming than Herr von Neurath, we ought probably to think again. I would, however, expect Hitler to take the opportunity.' Mr. Eden wrote on November 7: 'Now please see Berlin telegram No. 265 [No. 294 below].'

No. 284

Sir N. Henderson (Berlin) to Foreign Office (Received November 2, 8 p.m.)

No. 262 Telegraphic [*C 7550/270/18*]

BERLIN, *November 2, 1937, 7.5 p.m.*

I spoke to German Ambassador in Rome[1] who is an old friend of mine and who lunched with me to-day on the subject of better Anglo-German relations of which I believe him to be a strong partisan.

His earnestly expressed view was that there was no time to lose. He had he said done his best to help in creating Berlin-Rome axis both because he was so instructed and because it was a necessity of the moment. But he was opposed to anything exclusive and hinted at early risk of it becoming so. I told him that while we had no desire to drive a wedge between Berlin and Rome any more than we ourselves would abandon our friendship with France I saw no reason why we could not all four work together and that I believed there was an immediate opportunity of at last making some progress towards a better understanding between our two countries. As he told me he would be seeing the Chancellor in the next two days before his return to Rome I mentioned in confidence idea of visit of Lord Halifax and asked him to impress on Herr Hitler that a talk with him might afford a[n] opportunity for progress which it would be most unfortunate to let slip.[2]

Repeated to Rome.

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[1] Herr von Hassell.

[2] Some minutes commenting on this telegram are referred to in note 4 to No. 283 above. Mr. Ingram wrote on November 4 commenting on telegram No. 260: 'In my unofficial farewell interview with Count Ciano before I left Rome [see No. 273, note 2], H.E. expounded his views on Anglo-German relations to the following effect: "Germany wanted badly an understanding with us: Italy would welcome it (i.e. an Anglo-German understanding): such an understanding would be of enormous advantage to us given Germany's strength which had so impressed himself & Signor Mussolini: *but* if we did not come to such an understanding quickly, German patience would run out & in view of Germany's strength, her enmity and opposition wd. be as formidable as it wd. be dangerous to the British Empire." It is possible that Ciano has spoken in similar terms to Herr von Hassell or that the latter had used some such language to Ciano about a month ago.'

No. 285

Sir N. Henderson (Berlin) to Foreign Office (Received November 3, 9.40 p.m.)

No. 658 Saving: Telegraphic [*C 7563/37/18*]

BERLIN, *November 2, 1937*

Mr. Eden's answer[1] to Signor Mussolini[2] is embarrassing to supporters of

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[1] Speaking in the debate on the Address in the House of Commons on November 1 Mr. Eden referred to the 'colonial problem' in these terms: 'The House will no doubt have observed that

Italian Entente. The Italian annexation of the Tyrol has caused more resentment and is regarded as more indefensible than allies capture of German colonies. Whilst on the subject of treaty revision and righting the post war wrongs the Nazis have been careful to dodge the Tyrol issue but the man in the street remembers it.

The press attempts to represent Mr. Eden as complaining that Italy is not offering a part of her exiguous colonial gains. But some of the commentators give the show away when they accuse Mr. Eden of trying to drive a wedge between Italy and Germany.

Repeated Rome No. 32 Saving.

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during recent days a country that had itself, as the outcome of the Great War, gained very considerable accessions of territory in Europe and also received certain territorial concessions in Africa from countries which were her Allies in the Great War, has now championed the claim of Germany to African possessions . . . I must now declare plainly that we do not admit the right of any Government to call upon us for a contribution when there is no evidence to show that that Government are prepared to make any contribution on their own account.' (328 *H.C. Deb. 5 s.*, col. 579.)

[2] See No. 275, note 1.

No. 286

Sir N. Henderson (Berlin) to Foreign Office (Received November 5)

No. 973 [*C 7614/181/4*]

BERLIN, *November 2, 1937*

His Majesty's Ambassador at Berlin presents his compliments to H.M. Secretary of State for Foreign Affairs and has the honour to transmit to him the undermentioned documents.

Name and Date	*Subject*
From H.M. Consul-General, Munich. No. 104 of October 18th	German-Belgian relations.

Enclosure in No. 286

Mr. D. St. C. Gainer (Munich) to Sir G. Ogilvie-Forbes (Berlin)

No. 104

MUNICH, *October 18, 1937*

Sir,

Although it had been generally known for some time that negotiations were going on between the German and Belgian Governments for the purpose of defining the relations between the two countries, pending a general settlement in the West of Europe, the announcement recently made by the

German Government[1] of her intention to respect the territorial integrity, so long as Belgium on her side did not become involved in war against Germany, has been received in Party circles at Munich without very much enthusiasm.

2. This attitude is due to what is thought to be the abandonment of Eupen-Malmédy implicit in the German undertaking. The question now being asked by the Party is whether Belgian territory is held to comprise Eupen-Malmédy and the answer given is that unfortunately it appears to be so.[2]

3. On the other hand, however, anything which will at least for some time tend to improve relations with Western Europe is in general welcomed. The declarations that Belgium will remain true to her obligations under the Covenant of the League of Nations are considered to be unimportant as these obligations are in general discounted as having no relations to realities.

4. Such local arrangements as the Belgian-German declarations have, it is considered, the sole value of preparing the way for a general understanding in Western Europe which shall ensure that the Western powers shall not intervene on the Continent against Germany, when the time is ripe for the realisation of the pan-German plan.

5. The argument generally employed is that the minorities amongst those Germanic peoples, who are not yet within the Reich, must be made to realise that it is futile to oppose the unification of the Germanic peoples since they can expect no assistance from other powers, when once a new settlement in the West has been reached and that they will thus resign themselves to following the majority into the German fold without active opposition. This will eliminate all question of active coercion and Germany will accomplish her aim by peaceful means.

I have, etc.,
D. St Clair Gainer

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[1] See Nos. 224, 230, 236, 239, and 241–2.
[2] Cf. *D.G.F.P.*, Series D, vol. v, Nos. 476 and 478.

No. 287

Sir N. Henderson (Berlin) to Foreign Office (Received November 5)

No. 979 [*C 7602/270/18*]

BERLIN, *November 2, 1937*

Sir,

I have the honour to transmit to you herewith copies of two despatches[1] from His Majesty's Consul General at Munich on German relations with Italy and Great Britain.

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[1] Nos. 101 and 108 of October 15 and 27, not printed. Mr. Strang summed up their contents on November 10 as follows: 'Mr. Gainer says that at Party Headquarters opinions are divided as to the wisdom of the German-Italian connection; that the general populace is frankly as anti-Italian as ever; that the recent anti-British campaign (against which we protested) was conducted on orders from the Propaganda Ministry in Berlin; and that the official of the News

2. Whilst I agree with Mr. Gainer that the entente with Italy is still not popular amongst the masses here, I believe that it would be dangerous to assume that this will always be so. Public opinion is being educated gradually to accustom itself to the idea of an Italian alliance, whilst at the same time England will be represented as both hostile to Germany and effete. The support given by Signor Mussolini to Germany's colonial aspirations will also be exploited with a view to proving that the Italian connection will bring material profit to this country. The colonial campaign has the support of almost every German of every shade of political opinion and it will not be surprising if in the course of time the entente with Italy does not become acceptable, if not popular, amongst the German people.

3. As regards Great Britain, there is no doubt that, as reports from this Embassy have already stated, Dr. Goebbels is responsible for the anti-English campaign in the German press. On a point of detail Herr Hoffman [*sic*][2] is wrong in saying that such articles were entrusted to persons who had no knowledge of the facts and who were merely obeying orders. Two of the most offensive articles which have recently appeared in the *VölkischerBeobachter* (see Sir George Ogilvie-Forbes' despatches Nos. 935[3] of October 19th and 945[3] of October 20th) were signed, if not written, by the foreign editor, who, though not a great journalist, is sufficiently well-informed to be acquainted with the facts.

4. In the face of the efforts of the Ministry of Propaganda to boost Italy and belittle England, the pro-English elements, or to be more accurate those who favour good relations with England, are going through an unhappy time. They are to be found principally amongst the opponents of the Nazi Party and have no confidence in Italy. They believe that Great Britain is not so feeble as she appears and, if roused, would be a dangerous enemy. Recent events have, however, shaken their authority. In the Mediterranean Italy seems to be defying the Western Powers with impunity,[4] in the Far East England is regarded as being helpless in the face of Japanese aggression, the Palestine problem is represented as insoluble, whilst at home domestic difficulties are said to make it impossible for His Majesty's Government to take a strong line over anything. The inability of Great Britain to protect her important interests in the Far East seems to have made the strongest impression.

Department at the Brown House who had to see these instructions carried out frankly dislikes the Berlin-Rome axis.' Mr. Strang went on to question Sir N. Henderson's doubts as to whether the anti-Italian sentiment would last in the face of efforts by the Propaganda Ministry to 'swing Germany solidly over to the anti-British and pro-Italian view'.

[2] Herr Hofman is described in Mr. Gainer's despatch No. 108 as head of the Anglo-Saxon press section of the News Department of the Brown House at Munich. Mr. Gainer had mentioned to him in conversation the unfriendly tone towards Great Britain of many recent articles in the Bavarian press.

[3] Not printed: cf. No. 260.

[4] A marginal comment by Mr. Eden on this statement read: 'Is not this nonsense? Nyon?'

5. I am informed that General von Fritsch and General Beck, who is one of the ablest officers in the army, together with a number of lesser-known generals, belong to this so-called pro-English school. If certain anti-Nazi informants in touch with them are to be believed, these generals, if only to prove themselves right and to strengthen their own position, would welcome a display of force on the part of His Majesty's Government. Incidentally, rumours have been current here for some time that General Beck is to resign on the ground that he is opposed to the policy of the Government, particularly in the matter of the Church dispute. His resignation at the present time would be a serious blow to the army and it seems unlikely that he will be allowed to go.[5]

I have, etc.,
NEVILE HENDERSON

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[5] A minute by Mr. Eden said: 'Sir N. Henderson's covering despatch is not well thought out. A.E. Nov. 21st.'

No. 288

The Earl of Perth (Rome) to Foreign Office (Received November 3, 8.30 a.m.)

No. 656 Telegraphic [*C 7558/37/18*]

ROME, *November 3, 1937, 12.40 a.m.*

Your speech[1] has a very hostile press which rejects forcibly your references to Italy and exclaims against your avowal that the Government had benefited greatly from the Naval patrols and Russian supplies which is twisted to mean that British policy of so-called non-intervention worked out in favour of Red Spain.

The press had already taken amiss the suggestion of the French press and of *Daily Telegraph* that Italy had no right to intervene in the question of German Colonial demands and your frank statement on the question has aroused a chorus of protest. The chief points made are:

1. Question of German Colonies is one so closely affecting the present situation and future settlement of Europe that Italy has every right to say her say. It is as one who feels this problem very strongly as a problem of European peace, that Signor Mussolini made his pronouncement. Moreover the matter emphatically does not lie between England and Germany. German Colonies were ceded to the Allied and Associated Powers and for that reason too Italy has a definite right to a say in any question of revision.

2. As Italy did not receive a square yard of German Colonial territory and moreover did not receive 'equitable compensation' provided by Article 13 of Treaty of London while England and France swallowed enormous territories it is certainly not for her to make any concessions. Maraviglia in *Tribuna* sums

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[1] Mr. Eden's speech of November 1: see No. 285, note 1.

up his argument on this point by asking 'what contribution should Italy give who has been totally excluded from Colonial booty taken from Germany?'.

3. In regard to general question of division of booty the events which led to Treaty of St. Jean de Maurienne[2] and those which followed are bitterly recalled as further grounds for 'stupor' at the suggestion that Italy should be called to make any concession. For more than eighteen years it has been maintained here that Italy was defrauded in the matter of dividing the spoils. Maraviglia says 'Italy does not make any claim to fulfilment of old promises or revision in her favour because she places above her own personal need the exigencies of peace in Europe and particularly the Mediterranean; but she has every right to remember them and recall them to the memory of her ex-allies when there is talk of contributions by any one and every one to the general peace'.

[2] Of August, 1917: see Series I, Volume IV, Introductory Note to Chapter III.

No. 289

The Earl of Perth (Rome) to Foreign Office (Received November 3, 9.30 a.m.)

No. 658 Telegraphic [*R 7337/1/22*]

Important Personal ROME, *November 3, 1937, 12.40 a.m.*

Foreign Office telegram No. 343.[1]

Following for Private Secretary from Lord Perth.

I have made an immediate communication to the Italian Minister for Foreign Affairs in accordance with your instructions.

I venture to suggest for the Prime Minister's consideration whether it might not be desirable in view of later developments as regards conversations that a supplementary question should be arranged so that he could explain that owing to certain present international difficulties it has not seemed opportune yet to open conversations.[2] Otherwise might not Count Ciano claim that there is bad contradiction between statement in Prime Minister's letter to Signor Mussolini[3] regarding readiness of His Majesty's Government at any time to enter upon conversations and instructions contained in Foreign Office telegram No. 313.[4]

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[1] This telegram of November 2 instructed the Earl of Perth to communicate to Count Ciano the terms of a proposed reply to be made by Mr. Chamberlain to a parliamentary question regarding his correspondence with Signor Mussolini: see 328 *H.C. Deb. 5 s.*, cols. 914–15.

[2] A note by Mr. Ingram of November 3 said that he had discussed this suggestion with Sir O. Sargent, but felt that there might be a 'distinct advantage in keeping the situation as vague as possible'. He explained this to Lord Perth in a letter of November 8, adding that to raise the question of 'present international difficulties' might 'only serve to exacerbate an already difficult situation'.

[3] No. 65.

[4] No. 217.

No. 290

Letter from Mr. N. Law[1] *to Sir O. Sargent*

[C 7679/37/18]

November 3, 1937

My dear Moley,

I have just returned after spending a couple of days in Berlin. The time was too short to get a comprehensive view of what is going on but I will give you a few impressions.

While I was there the Colonial bombshell burst and I heard a good deal of talk on the subject among intelligent Germans, who however do not belong to the Party. The consensus of opinion was that, apart from whether or not Germany should eventually receive some colonial possessions, the question, by being ventilated in the press, had been raised at the wrong moment and in the wrong quarter. Already before Mussolini's speech[2] influential members of the Nazi party—not those of the first rank—were talking as if Germany would recover her colonies before the end of the year. In many quarters in Germany and in Central Europe people were saying 'Great Britain is the Sick Man of Europe. Pacifism is rampant in England and the policy of the British Government appears to be peace at any price. The hour is therefore at hand when the Empire will break up. Those countries which are first in the field will get some of the loot.' Our friends in Germany therefore believe that we should take the strongest possible line and should not be afraid to do some shouting. To ensure peace we must be respected and to be respected we must be feared.

You will know more about it than I do, but my impression is that the *Times* campaign was a carefully prearranged plan concerted with someone in the Nazi party. I know from what Ebbutt said to me in June that a pro-German campaign was planned for the summer. This was put off till the autumn because of his expulsion.[3] English people have evidently been visiting Berlin in this connection. For instance, a German friend mentioned that he had met Lord Buxton who was 'over to discuss the German colonial question.' The prominence given to A. A. Milne's letter,[4] whom foreigners suppose to be a man of political importance, and Lord Astor's repeated letters all point to a concerted campaign culminating in the leader of October 28th.[5] It is a little ironical that the first shout should have come from the *Times*'s most deadly enemy, Mussolini. I am told that Hitler still cares nothing for colonies but is quite prepared to use the question to keep his people from thinking of other things and perhaps in the hope of using it to gain some concession in Europe. People are still apprehensive lest Germany may suddenly fall upon Austria or pick a quarrel with Czecho-Slovakia over the *Sudeten Deutsche* question.

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[1] A former First Secretary in the Foreign Office, now working in the City.

[2] See No. 275, note 1.

[3] See Nos. 88, 89, and 97.

[4] See *The Times*, October 21, 1937, p. 10.

[5] Cf. Nos. 275 and 281.

Schacht's disappearance[6] silences his voice on such questions and also makes the deterioration of the economic position more rapid and consequently increases the likelihood of a political diversion. Personally I am not so pessimistic as this, but I do fear a strong outburst of anti-British feeling when it is realized that the colonies are not to be handed back without conditions which Germany is not yet prepared to accept. The sooner therefore we make absolutely clear our standpoint about colonies the sooner exaggerated hopes will be nipped in the bud.

I did not see Schacht myself but several of my friends did. He was in what they described as a 'Galgenhumor' which is best illustrated by his sending for his secretary and saying 'If I have congratulated Göbbels on his birthday, good. If not' (then with emphasis) '*don't do it.*' Apparently Hitler had tried to persuade him to stay on and asked him to put in writing under what conditions it would be possible for him to work. This he agreed to do, adding 'I do this not for myself but for my successor.'[7]

Economic conditions did not appear to be much altered since my last visit in June,[8] except—as I know from my German chain store—materials are becoming more and more difficult to obtain. Moreover as the German Government buys many of the necessary imports and then distributes them one has to guess when the price will suddenly be raised. For instance it is known that they bought large stocks of cocoa at the top of the market. As soon as the old stocks are distributed there will be a sharp rise of prices although world prices have gone down meanwhile. This introduces great uncertainty and danger of losses to the distributive trades.

Funny stories, the usual psychological safety valve in all police ridden states, are numerous. Thus Hitler is said to be the child of Joan of Arc and Charles Chaplin. Göring is sent to Rome to compose differences with the Vatican. He telegraphs home 'Alles in ordnung. Vatican brennt, Papst gestorben (signed) Adolf der Erste.' Hitler and Göring, when motoring, run over and kill a pig. Göring is sent to make reparation and returns with a basket of flowers and one of fruit and drives off. Hitler asks 'What did you have to pay?' 'Nothing', replies Göring. 'I went in and said "Heil, Hitler, der Schwein ist todt!" '

Since writing the above I have read the Secretary of State's speech.[9] It has been universally praised in the City and it will, I am sure, have the right effect abroad.

Yours ever,
NIGEL

P.S. In fairness I must add that I have just received a letter from a friend in the *Times* office saying that they cannot publish a letter which I sent them because it is written under a misconception. He denies that they encouraged in any way the correspondence on the colonial problem and intended their leader as a warning to Germany as well as to stand-patters at home.

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[6] Dr. Schacht had resigned from his post as Minister of Economics owing to continual friction with General Goering. It was later announced that he would retain his post as President of the Reichsbank and had been appointed Minister without Portfolio. For Dr. Schacht's account of his efforts to submit his resignation and Herr Hitler's attempts to dissuade him see Hjalmar Schacht, *76 Jahre meines Lebens* (Bad Wörishofen, 1953), pp. 461–474. Cf. also No. 107 above, and No. 300 below.

[7] See Schacht, *ibid.*, p. 472–3.

[8] See Volume XVIII, No. 622.

[9] See No. 285, note 1.

N.

No. 291

Sir R. Clive (Brussels) to Foreign Office (Received November 4, 7.15 p.m.)

No. 80 Telegraphic [*R 7357/188/12*]

BRUSSELS, *November 4, 1937, 5.38 p.m.*

Following from Secretary of State.

During a conversation with Monsieur Delbos today I mentioned problem of *Sudetendeutsche* in Czechoslovakia.[1] I told him that His Majesty's Government fear serious and indeed dangerous situation appeared to me to be (*sic*) if Czechoslovak Government persisted in their present attitude towards *Sudetendeutsche*. Monsieur Delbos said that a distinction must be made between those of *Sudetendeutsche* who were in fact traitors because they wished to return to Germany and those who were prepared to cooperate within Czechoslovakian State. Comparing the situation to that which had faced France in Alsace Lorraine he said that it would not have been a wise proposition to have accorded Alsatians a federal system of government. I said that two situations were not by any means parallel and that I feared present tendency of Czechoslovak Government might lead to disaster. I had been thinking the situation over and wondered whether it might not be possible for Great Britain and France to concert with Germany in seeking to find a satisfactory solution to the problem. Monsieur Delbos said that Monsieur Beneš would no doubt be willing to listen to such concerted representations although he could not be expected to heed threats. I said that I intended to study problem further and when my views had taken more definite shape I would communicate them to him.[2]

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[1] In Prague telegram No. 48 of November 2, replying to F.O. telegram No. 34 (No. 280), Mr. Newton had expressed agreement with the idea of addressing a direct warning to Dr. Beneš on the subject of the *Sudetendeutsche* problem and had proposed raising the question at an interview with the Czech President the following week. In a minute of November 3, however, Mr. Ingram noted that as Mr. Eden proposed to speak to M. Delbos on this subject at Brussels Mr. Newton's instructions should be delayed until after this conversation. In the meantime he was instructed in telegram No. 35 of November 3 to see M. Krofta immediately to discuss the question of M. Henlein's activities in London: see No. 280.

[2] The substance of Mr. Eden's conversation with M. Delbos was sent to Mr. Newton in F.O. telegram No. 36 of November 6, which stated that the discussions 'have not progressed sufficiently far to enable concerted representations to be made by you and your French colleague to M. Beneš'. Mr. Newton was instructed in his forthcoming interview with M. Beneš to express His Majesty's Government's anxiety over the *Sudetendeutsche* problem and to urge the

importance of a real effort to produce a 'contented and united Czechoslovakia'. He was not to bring up the subject of autonomy, but if M. Beneš raised it he should encourage him to develop his views on this question.

In a minute of November 8 addressed to Mr. Eden and commenting on the draft of telegram No. 36, Sir O. Sargent urged that Mr. Eden should raise the subject of Anglo-French representations to Dr. Beneš with M. Delbos again, but a note by Mr. Harvey of November 8 said that Mr. Eden did not wish 'to tackle M. Delbos again until he can put forward our own proposals in more definite shape'. He asked the Department to carry on with this task.

No. 292

Sir R. Clive (Brussels) to Foreign Office (Received November 6)

Unnumbered Saving: Telegraphic [*W 20342/7/41*]

BRUSSELS, *November 5, 1937*

Following from Secretary of State.

I spoke to Monsieur Litvinov last night about the Soviet attitude at the Non-Intervention Committee.[1] I urged strongly upon him the importance of the Soviets withdrawing their reservation in regard to the resolution now adopted by the Main Committee, since such an attitude if persisted in must greatly facilitate the obstructive tactics of the Italian and German Governments. Monsieur Litvinov said that he would be prepared to do this provided that Great Britain, France and the Soviets could agree between themselves on the exact percentage which they would insist upon as constituting the substantial progress which had to be achieved before belligerent rights could be granted. After further discussion we agreed that we should endeavour to make this figure 80%, that we could fall back to 70% and that in the very last resort we should stand on 65%. In these circumstances Monsieur Litvinov has promised to telegraph to Moscow so that Monsieur Maisky may receive fresh instructions authorising him to withdraw his reservation.[2] This agreement must, of course, be regarded as strictly confidential between Great Britain, France and the Soviets.

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[1] See No. 277, note 4. At the plenary session of the N.I.C. on November 4 the two resolutions presented by the sub-committee were adopted, and instructions were sent that evening to British representatives at Hendaye and Valencia to approach the Spanish authorities to which they were accredited in accordance with the terms of the resolutions (see W 20311/7/41).

[2] M. Maisky was able to inform Lord Plymouth on November 11 that his government had agreed to the withdrawal of the reservation. At the meeting of the Chairman's Sub-Committee on November 16 he said that the U.S.S.R. Government accepted the Resolution adopted by the N.I.C. on November 4 '*in toto*, without any reservations whatsoever'. Cf. I. Maisky, *Spanish Notebooks* (London, 1966), p. 170.

No. 293

Note by Mr. Roberts on the negotiations with General Franco for an interchange of agents

[W 20397/9260/41]

FOREIGN OFFICE, *November 5, 1937*

On the 8th September the Cabinet approved the Secretary of State's proposals for an exchange of agents and took note of the fact that he proposed to open discussions on the subject shortly with General Franco.[1]

On the 24th September Sir H. Chilton was authorised to convey to Salamanca a note in the terms of a final revised text which was telegraphed to him on that date. He was at the same time told to explain to Señor Sangroniz that H.M. Government must, before they gave their final approval to this proposal, insist upon satisfaction in regard to certain questions which they would suggest should be agreed to and accorded in an exchange of personal letters between him and Sir H. Chilton. It was also made clear that there would be no publication until agreement had been reached on all points when the necessary arrangements would have to be made for a simultaneous announcement in an agreed form.

On the 28th September Sir H. Chilton carried out his instructions and Señor Sangroniz took away a draft note and letter for consultation with General Franco.

On the 2nd October Señor Sangroniz reported that General Franco had agreed to all our conditions. A letter embodying these conditions was therefore handed to him and Sir H. Chilton reported at the same time that, if a satisfactory written reply to this letter, in accordance with the verbal assurance he had just received, was given him on the following Monday, he proposed, unless he received instructions to the contrary, to hand Señor Sangroniz a note in the terms of the instructions given to him on the 24th September.

The letter having been duly received, a note was despatched by Sir H. Chilton on October 4th and on October 11th he received a note in reply accepting the formula proposed by H.M. Government setting out in detail the terms of the arrangement. One of the points mentioned in Señor Sangroniz's note dealt with the question of the recognition of ships flying the insurgent flag in British ports. The terms in which this proposal was made were considered inacceptable and we proposed an alternative text for this paragraph which was duly communicated to General Franco.

On October 26th Señor Sangroniz informed Sir H. Chilton that the modified version of this paragraph was in accordance with the intentions of his Government and that it would be immediately submitted to General Franco.

Finally, on October 29th Sir H. Chilton received a revised version of Señor

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[1] See No. 143.

Sangroniz's note of October 8th in which the description 'commercial' in referring to the agents was omitted (this omission had by that time been accepted by the Secretary of State), and the modified version of paragraph 5 was included.[2]

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[2] Following a further delay in the negotiations caused by the sinking of a ship flying the British flag (the *Jean Weems*) by a Nationalist plane, Mr. Eden, who returned from Brussels on November 5, finally announced in the House of Commons on November 8 that agreement had been reached to exchange commercial agents with General Franco's government: 328 *H.C. Deb. 5 s.*, cols. 1384–7. In a debate on the subject later that day the agreement was criticized by the Opposition as constituting official recognition of General Franco's government, but Mr. Eden continued to insist that 'This is in no sense a breach of non-intervention' (col. 1544). *Communiqués* announcing the agreement were issued in London and Salamanca on November 12: see *The Times*, November 12, 1937, p. 16. Sir Robert Hodgson was appointed British Agent to General Franco; the Duke of Alba was to be the Nationalist Agent in London.

No. 294

Sir N. Henderson (Berlin) to Mr. Eden (Received November 6, 12.5 p.m.)

No. 265 Telegraphic: by telephone [*C 7666/7324/18*]

Immediate BERLIN, *November 6, 1937*

My telegram No. 260.[1]

Minister for Foreign Affairs asked me to call on him this morning and told me that while the Chancellor had at once expressed his willingness to receive President of the Council delay had been caused by difficulty of finding a suitable date. Herr Hitler had to go to Munich this week and thence to Stuttgart, was anxious to rest for a few days at Upper Salzburg and would not normally be back at Berlin until about November 23rd, i.e., after the end of hunting exhibition. He could of course see Lord Halifax probably between November 14th and November 17th in Berthesgaden [*sic*] but it meant a long journey.

I told the Minister for Foreign Affairs that personally I thought it would be better for the meeting if it could not take place between November 14th and November 17th in Berlin, to be postponed until November 23rd. He promised to telegraph at once and will let me know the Chancellor's definite proposal as soon as possible.

[1] No. 283.

No. 295

Mr. Eden to Sir N. Henderson (Berlin)

No. 191 Telegraphic [*C 7725/270/18*]

Personal FOREIGN OFFICE, *November 6, 1937, 7 p.m.*

Your telegrams Nos. 260[1] and 262.[2]

I regard it of the greatest importance at the present time that no

[1] No. 283. [2] No. 284.

encouragement whatsoever should be given the German Government for believing that His Majesty's Government would contemplate any settlement at the expense of the political independence of the nations of Eastern and Central Europe.[3] I am confident that I can rely upon you to bear this constantly in mind.

[3] The previous evening, November 5, a conference took place from 4.15 to 8.30 p.m. in the Reich Chancellery, Berlin, at which Herr Hitler expounded to a small group his plans for solving by force in the near future the need of the German people for *Lebensraum* in Europe. His ideas were set down in the so-called Hossbach Memorandum of November 10: see *D.G.F.P.*, Series D, vol. i, No. 19.

No. 296

Sir H. Kennard (Warsaw) to Mr. Eden (Received November 9)

No. 58 Saving: Telegraphic [*C 7694/372/18*]

WARSAW, *November 6, 1937*

My telegram No. 43.[1]

Polish-German Declarations on Minorities were issued last night.[2] Text is in my immediately following telegram.[3] Official *communiqué* issued at the same time here states that the President of the Republic received Senators Hasbach and Wiesner, as representatives of the German minority, and after expressing his satisfaction at the agreement, assured them that the minority, by maintaining full loyalty to the Polish State and Constitution, could continue to count on the friendly consideration of its interests by the Polish Government within the framework of existing laws. A further *communiqué* states that the President of the Republic also expressed his satisfaction to the German Ambassador. Similar *communiqués* are published from Berlin reporting interviews between Herr Hitler with representatives of the Polish Minority and with the Polish Ambassador.[4] It is added in the latter case, however, that 'in the course of the conversation it was confirmed that Polish-German relations should not be exposed to difficulties by the Danzig question.'[5]

Polish press also gives prominence to a declaration made by Herr Hitler to representatives of the Association of Poles in Germany assuring them that the intention of the Government of the Reich to give bread and work to every citizen applied also to the Polish population, which shared fully in the economic development of the Reich. The Chancellor also referred to the German Government's goodwill in cultural matters and mentioned the opening of a new Polish secondary school at Marienwerder. The Chancellor, however, also reminded the Polish minority of its obligations of loyalty to the Reich, and said that the protection of the German minority in Poland would contribute to the safeguarding of the Polish population in Germany.

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[1] Not kept in F.O. archives.

[2] Polish-German negotiations on this issue had been proceeding for several months, and the final issuing of the declaration had apparently been held up since the beginning of October by an unsuccessful Polish attempt to obtain German agreement to the issue of a joint declaration on Danzig: see *D.G.F.P.*, Series D, vol. v, Nos. 1, 2, 6–13, 16.

[3] Not printed. The text is published in *D.G.F.P.*, *ibid.*, No. 18. The two governments agreed that the treatment of the German minority in Poland and the Polish minority in Germany was of 'great importance for the further development of friendly and neighborly relations between Germany and Poland', and set out five principles to govern their treatment, including mutual respect for nationality, the right to free use of the mother tongue, and to educational and religious freedom.

[4] The German *communiqués* are printed in *D.G.F.P.*, *ibid.*, No. 18.

[5] Cf. No. 258.

The agreement has been welcomed by the Chief Council of the Association of Poles in Germany in a resolution which mentions the earnest desire of the Polish minority to live in peace and harmony with the Reich.

According to a statement made to the press by one of the minority's representatives, Herr Hitler recognised in the course of conversation with the Association's representatives that minority problem must persist because frontiers could not be drawn to include all the members of each race. The only remedy was in the Chancellor's view the exercise of commonsense and understanding on both sides.

Repeated to Berlin No. 27 Saving.

No. 297

Record by Mr. R. A. Leeper of a conversation with Count Grandi

[*R 7419/1/22*]

FOREIGN OFFICE, *November 6, 1937*

Count Grandi asked me to come and see him to-day in order to have a friendly and informal talk about various matters in connection with broadcasts in foreign languages and with the press in general. From that the conversation passed to the wider question of Anglo-Italian relations and I suspect that this was the main purpose of the interview.

Count Grandi began by reviewing the last few months in order to explain how opinion in Rome had developed as regards relations with Britain. In July the exchange of letters between the Prime Minister and Mussolini[1] had produced a big effect, bigger than he (Count Grandi) had expected. The stage seemed to be set for successful conversations. Then came events in the Mediterranean and the Nyon Conference. He himself considered that his Government had made a mistake in not attending that conference in spite of the inclusion of Russia. The outcome of the conference produced a profound impression in Italy. It revived in an acute form all the apprehensions felt at the time of sanctions and was at once exploited by Germany in order to put further pressure on Italy. Berlin reminded Rome that England and France were combining against Italy in order to knock her out later by cutting off supplies. The inclusion of Italy in the Nyon Arrangement had not removed the earlier impression that England and France were not merely allied to protect the Rhine frontier but to destroy Italy in the Mediterranean. To Italy danger threatening in the Mediterranean was greater and more deadly than any threat from beyond the Alps. Hence Germany had made steady progress in Rome and was urging that an alliance should be concluded which would mean the handing over of Austria to Germany.

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[1] Nos. 64, 65, and 81.

At this point I asked whether what had appeared in the *Evening Standard* yesterday was correct and whether Ribbentrop besides signing the Anti-Comintern Pact[2] was also pressing Italy on the question of Austria. Count Grandi replied that it was correct, though he must ask me considering the nature of his position not to press him on questions of detail.

He then continued on the question of Austria. So long as Italy was uncertain of Germany it was essential to keep Austria as a buffer state between them, but once an alliance were formed between them the need for a buffer state disappeared automatically. But an alliance with Germany was not in the real interests of Italy. It was merely dictated by the necessity that Italy should not be isolated if England and France threatened her in the Mediterranean. Unfortunately suspicion of the intentions of England and France was so strong in Rome that Germany was profiting greatly and rapidly. In his opinion there was no time to be lost if this process were to be arrested. In reply to a question Count Grandi assured me (and he particularly asked me to believe him) that there was still time as Mussolini had hitherto resisted and still wished to resist German pressure about Austria.

I asked what he recommended to meet the position as he had outlined it to me. He said that the conversations between Lord Perth and Count Ciano should begin at once and that they should not be confined to small matters of secondary importance. At the outset the really essential matters such as Abyssinia and Spain must be faced and there must be a readiness upon our part to consider the whole complex of questions as a bargain fair and reasonable to both sides. If, he continued, the British Government insist that Spain must first be got out of the way, then the opportunity would be thrown away as we should have to wait too long. On the other hand he assured me that Spain could be got out of the way as part of the bargain.

I then asked him to explain Italian views on Spain. He replied that there was now such a state of suspicion between England and Italy about Spain that he realised even I, let alone the British public, might be unwilling to believe him. Nevertheless what he was going to say to me was the truth. Italy had not got the same feelings about Russia that Germany had, but it *was* necessary for Italy that there should not be a Communist Government in Spain. Although the Valencia Government was not strictly Communist, yet it acted in the same way as regards Italy and the broadcasts put out daily were aimed at Communists in Italy, therefore it was essential for Italy that Franco should win and it was now certain that he would win. What however he wanted to make clear was that Italy's interest was the victory of Franco and not the maintenance of Italian troops in Spain. That could not but turn Spain against Italy and any such policy would therefore be madness on Italy's part. However much we might doubt them—and unfortunately we did—the Italian assurances about the future of Spain were genuine. Equally genuine was the Italian desire to get out of Spain now that Franco's victory was assured. He said quite bluntly that the Italian readiness to accept the British plan[3] was based on the fact that it would help Franco more to have belligerent rights than Italian troops. Now that Britain and perhaps France were about to appoint agents with Franco[4] (which would help Franco psychologically) it would be easier for Italy to withdraw her volunteers. Hence he expected a favourable reply from Franco to the proposals of the Non-Intervention Committee.

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[2] See No. 274, note 3.

At this point I intervened by saying that though it might be argued that Anglo-Italian conversations should begin before the Spanish question was out of the way, yet some concrete progress about the withdrawal of volunteers did seem a necessary preliminary. The impression on public opinion here would be very great and the *détente* thus created would surely assist the conversations. Could the Italian Government at the same time evacuate Majorca so that the Balearic Islands could be removed from the area of the conflict? To this Count Grandi replied that there was not yet sufficient confidence to take this step in advance of the conversations but he was certain that complete evacuation of Majorca would be part of any settlement of Anglo-Italian relations.[5]

I personally believe that Count Grandi is genuine in his desire to prevent an Italian-German alliance and to restore relations with us. He has always worked for this in the past and I believe he takes considerable risks in working for it still. I also think he is fully alive to the opposition of many people in Mussolini's entourage and to the very powerful pressure of the Germans. I therefore admit that we cannot base policy simply on confidence in Grandi. May I therefore put it this way? There are no steps we can take in Spain to arrest the course of events and both British and French military opinion is that Franco's victory is certain. Are we therefore to allow this to happen with a hostile Italy while at the same time giving Germany the opportunity to consolidate her alliance with Italy and secure Austria for herself? On all reasonable reckoning we are likely to lose heavily and to gain nothing if events develop thus. If on the other hand we accept Grandi's view and negotiate, we can see to it that we do not give away what is vital and we may gain something substantial in the way of security in return. We shall also gain time.[6]

R. LEEPER

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[3] See No. 256, note 3.

[4] See No. 293.

[5] In a minute of November 9 Sir R. Vansittart remarked on the importance of this sentence.

[6] In a minute on the above record Mr. Leeper noted that on the next day, November 7, 'consideration was given to Count Grandi's suggestion that the conversations between Lord Perth and Count Ciano should be opened at once'. Mr. Eden preferred the idea of 'meeting Count Ciano himself at Brussels and suggested that a telegram should be sent to Rome to that effect. I understand that Count Ciano is to be invited to come to Brussels through Count Grandi. R. A. Leeper 9/11.' Sir R. Vansittart minuted: 'See my interview with Count Grandi today [No. 304 below] . . . I concur in Mr. Leeper's conclusion. R.V. Nov. 9.'

No. 298

Sir N. Henderson (Berlin) to Mr. Eden (Received November 8, 9.30 a.m.)

No. 268 Telegraphic [*C 7668/7324/18*]

Immediate BERLIN, *November 7, 1937, 10.40 p.m.*

My telegram No. 267.[1]

I cannot express too strongly my hope that it will be found possible to agree to date proposed by Chancellor for meeting with Lord Halifax.

General Göring whom I saw yesterday told me he had seldom heard Herr Hitler speak more enthusiastically in favour of an understanding with Great Britain, and I am altogether convinced that present opportunity is one which we should not allow to pass.[2]

Incidentally I believe it possible that hunting exhibition may remain open till the end of the month if it is really considered indispensable to provide ostensible pretext for visit.

Though conversation with General Göring was only superficial it seemed to me that he had modified his attitude as regards Central Europe and had on the other hand become more colonial minded.

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[1] Not kept in F.O. archives. It apparently stated that Herr Hitler had suggested receiving Lord Halifax on November 25 in Berlin.

[2] Sir R. Vansittart minuted: 'Sir N. Henderson's 2nd paragraph is very naïf. The prevailing frame of mind in regard to ourselves is extreme mutability. Lately it has been adverse, both as regards Hitler's mood & the inspired press. If the wind has shifted again, so much the better, but the change is recent & we must not count too much on it unless *we* can give full satisfaction! R.V. Nov. 9.'

No. 299

Mr. Eden to Sir N. Henderson (Berlin)

No. 192 Telegraphic [*C 7668/7324/18*]

FOREIGN OFFICE, *November 8, 1937, 7.5 p.m.*

Your telegrams Nos. 267[1] and 268.[2]

You will realise that the suggestion that Herr Hitler should receive Lord Halifax after the end of the Exhibition would lend the visit a very different aspect and would, in fact, deprive it of its main advantage to us inasmuch as he would have been visiting Berlin on other business. A visit by a leading Cabinet Minister to Berlin specially in order to meet Herr Hitler would arouse such publicity and speculation as would almost certainly defeat its purpose of an informal entry into contact. I shall be glad therefore if you would make a further attempt to arrange for the conversation with Herr Hitler to be held during the period of the Exhibition. I fully appreciate that

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[1] See No. 298, note 1.

[2] No. 298.

Herr Hitler's engagements may make it difficult for the conversation to take place during that period, but I feel sure German Government will appreciate importance of considerations I have raised.[3]

[3] Copies of this telegram were sent to the Prime Minister and Lord Halifax.

No. 300

Sir N. Henderson (Berlin) to Mr. Eden (Received November 11)

No. 673 Saving: Telegraphic [*C 7740/78/18*]

BERLIN, *November 8, 1937*

My telegram No. 261.[1]

I mentioned to General Goering yesterday that I was glad to hear that Dr. Schacht was remaining at Ministry of Economics. The General replied that it was still undecided and depended on whether Schacht agreed to come into line with him or not. Latter was he said a financial genius but a banker first and last and bankers were not always economic experts, nor was he an easy man to get on with. When I referred to Schacht's international reputation and anxiety which his removal might cause abroad, General Goering asked whether it would make much difference so long as he remained as President of the Reichsbank, his proper position, with a seat in the Cabinet. I replied non-committally to the effect that it would obviously make less difference than if he severed his connexion altogether with the Government.

I asked whether it was true that Schacht had been particularly opposed to the scheme for the development of low-grade iron ore in Germany (see Sir George Ogilvie-Forbes' letter to Sir O. Sargent of October 20th).[2] The General admitted that this was so at any rate at first. He added that as a matter of fact it was now quite certain that the scheme would be a very great success and both he and his Under-Secretary spoke enthusiastically of its prospects.

[1] In this telegram of November 2 Sir N. Henderson wrote: 'Minister for Foreign Affairs informed me this morning that Chancellor had persuaded Doctor Schacht to remain at his post as Minister for Economics.' Cf. No. 290, note 6: Dr. Schacht in fact still intended to resign, and was finally allowed to do so officially later in the month. See No. 342 below.

[2] Not printed.

No. 301

Sir N. Henderson (Berlin) to Mr. Eden (Received November 11)

No. 674 Saving: Telegraphic [*C 8293/270/18*]

Personal BERLIN, *November 8, 1937*

Your telegram No. 191.[1]

My definite impression derived from all my contacts with prominent

[1] No. 295.

Germans is that her responsible leaders have no *immediate* intention of interfering *forcibly* with the political independence of either Austria or Czechoslovakia. They are convinced—quite apart from the realisation of the necessity of consolidating Nazism within first—that time, as regards the Germans outside the Reich, is on their side and that they can afford to wait. Though he talks big this is even the view of General Goering, to whom I have always replied 'then wait; for if you start a rough house the consequences may be incalculable'.

Such has been and will be consistently my attitude here. At the same time it would, I submit, be extremely unwise to refuse even to consider at all the possibility of the Germans living in solid blocks outside the Reich gravitating of their own free will and in due course to Germany and demanding under the principle of self-determination their right to join the Reich. I have equally never declined here to foresee this possibility and indeed I have always held and still hold the personal conviction that this will ultimately be the inevitable result of the disruption of the Austrian Empire after the World War. It was broken up in accordance with the principle of nationality and its corollary will be equally subject to that principle. The ten or so million Germans who had always virtually governed that Empire were left in the air, two thirds in an old Austrian State and one third subjected in a new Czechoslovakia to a race which they had ruled and repressed for centuries. The attraction of an immensely powerful German State will I fear be stronger than these Germans will in the end be able to resist. For whatever happens Austrians and *Sudetendeutschen* are and will always be German and in any future major crisis in Europe will surely be found on the side of the Germany from which they were only evicted in 1866. It seems to me in fact an unreal and quite untenable argument to urge that these Austrians and *Sudetendeutschen* have no claim to join the Reich simply because they never formed part of the Germany as constituted by Bismarck, in view of the fact that the former in pre-Bismarck days was the chief of the German States and the latter under its German leaders played in the past at times a leading role in German affairs.

I believe it to be essential to face up to these facts, however unpalatable, lest in the end we be obliged to swallow with ill grace and loss of face what we have consistently refused to consider and eventually shall, even on specific moral grounds, be unable to prevent.

At the same time I believe it to be possible that a watched pot may never boil. Belgium is an example. In the eighteen-thirties it would have joined up with France had Great Britain, in view of her vital interests at that time, not objected. Belgium still preserves its complete independence nor does France today contemplate any other solution. So may it be with Austria, in spite of the fact that history very seldom repeats itself exactly and that the circumstances are in many ways different and the urge, apart from Vienna itself, a great deal stronger.

So may it also be with the *Sudetendeutschen*, if the Czechs are far-sighted and skilful enough to turn them in time into contented citizens. If the Czechs cannot do this, the *Sudetendeutschen* will be always a source of weakness rather than strength to Czechoslovakia herself as well as constitute a perpetual powder magazine and danger of world war in Europe. In such circumstances would it not be illogical for Great Britain to oppose their peaceful incorporation in Germany or to go to war in order to secure the continuation of so intolerable a situation?

Nor must it be forgotten that if it were not for the Nazi régime—which is bound in time to become less tyrannical or to destroy itself—the urge for both Austrians and *Sudetendeutschen* to join the Reich would be even stronger than it is.

Be that as it may, I submit that, the primary object of British policy being to preserve peace in Europe, it would be unwise to shut our eyes to possibilities or probabilities and that our proper course is to endeavour to promote a situation which, while affording the best chance of the permanence of the status quo, at the same time is calculated to ensure, in the event of its being upset, the least risk of a general conflagration. Such, as far as the *Sudetendeutschen* are concerned, would be a form of home rule, autonomy or call it what you will. Within it, it is quite conceivable that the *Sudetendeutschen* may prefer to continue to live outside the Reich: if they eventually do not so prefer, the principle of peaceful self-determination would ultimately apply, but at least the frontiers of this autonomous province would have been traced by the Czechs themselves and not imposed after an unsuccessful war.

Austria is a different problem. Nevertheless, in her case also, though we cannot pretend to be indifferent or to view with equanimity pressure from without, it seems to me that it would be impolitic not to concede the possibility of Austria of her own free will linking herself again in some form or another to the German Reich.

If we are ever to enter upon a period of better relations with Germany, and until we do so there will be no tranquillity in Europe, the above is in my opinion the minimum we shall have to concede so far as Central and Eastern Europe is concerned.[2]

[2] The argumentative character of this reply to Mr. Eden's telegram No. 191 caused some uneasiness in the Foreign Office. In the course of an undated minute Sir R. Vansittart wrote: '. . . your brief & categorical instructions shd. have elicited an immediate & equally brief acquiescence on Sir N. Henderson's side, though it is of course always open to him, or any Ambassador, to argue subsequently by despatch or private letter why he doesn't think his instructions applicable. And the reply that we got instead is a little disquieting. R.V.' Mr. Eden wrote: 'I am inclined to think we might perhaps repeat our warning, but it should be superfluous. A.E. Nov. 15[?].' See No. 325 below.

No. 302

Mr. Mack (Vienna) to Mr. Eden (Received November 11)

No. 84 Saving: Telegraphic [*R 7477/303/3*]

Confidential VIENNA, *November 8, 1937*

State Secretary for Foreign Affairs left Vienna for Berlin on the evening of

November 5th in response to pressing invitation from General Göring to come and see the International Game Exhibition and to shoot a stag.[1] Invitation was, I gather, accepted with some reluctance, both on the part of the Federal Chancellor and the State Secretary, but it was thought expedient to accept. It may be assumed that the conversations which took place covered recent causes of Austro-German differences such as the Federal Chancellor's meetings with Dr. Hodza and Monsieur Daranyi, German Press attacks on the Chancellor, the present difficulties in Austro-German trade, and, particularly, the activities of the illegal Nazi organization in Austria.

Dr. Guido Schmidt returned by air this morning and I have had the opportunity of a brief conversation with him. He told me that he had achieved a double success; his conversations with General Göring and with Baron von Neurath had been most satisfactory, and he had shot a fourteen-pointer. He had completely satisfied himself that the Austrian Government need not have the slightest anxiety for the present about German intentions towards Austria. To my enquiry as to whether anything concrete had emerged, he replied *very confidentially* that it had been agreed in principle that General Göring should come to Austria in order to have a talk with the Federal Chancellor. The date and place had not yet been fixed. The general impression which he conveyed to me was one of considerable relief, and at the same time belief in the importance of personal Austro-German contact.

Dr. Guido Schmidt described as nonsense the rumour, which has been current in some circles here, that he and Colonel Beck were trying to organise a block of neutral States in Central Europe and the Balkans.

Repeated to Berlin No. 60 Saving; copy to Budapest by next bag.

[1] Cf. No. 246.

No. 303

Sir N. Henderson (Berlin) to Foreign Office[1] *(Received November 9, 1.45 p.m.)*

No. 269 Telegraphic: by telephone [*C 7706/7324/18*]

Immediate BERLIN, *November 9, 1937*

Your telegram No. 192.[2]

At the moment all leading German personalities are at Munich for party celebrations which last until tomorrow evening. I saw however Under Secretary of State this morning and represented strongly consideration raised in your telegram under reference and begged him to repeat it by telephone to Baron von Neurath at Munich. I told Under Secretary of State that I had already spoken in this sense to Baron von Neurath and that though I had failed at first attempt I hoped it might still be possible to persuade Herr Hitler to return to Berlin during period of exhibition.

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[1] Mr. Eden returned to the Brussels Conference on November 9, coming back to England on November 14.

[2] No. 299.

Under Secretary of State agreed entirely and promised to do this. He said that though they had tried to do so it was impossible to prolong exhibition after November 21st for material reasons. Only alternatives were therefore return of Herr Hitler to Berlin or visit of Lord Halifax to Berchtesgaden. I urged again the far greater advantage of Berlin and Under Secretary of State himself again agreed. He asked whether General Goering was aware of proposed visit. I replied that he was and that I was convinced that he was in favour of it. Under Secretary of State said that that was very important as Herr Hitler was surrounded by other influences who recommended other courses (Rome axis, Japan etc.). I suggested that he should propose to Baron von Neurath to get General Goering's backing. I think he will do so.

Personally I doubt whether Herr Hitler will return to Berlin: he has heavy engagements and Munich alone is an exhausting performance. If therefore he suggests interview instead at Berchtesgaden I would strongly recommend our acceptance. Lord Halifax could arrive at Berlin in the morning, visit exhibition in the course of the day, and leave for Berchtesgaden the same evening arriving there next morning. He could return by air (fog permitting). In any case I would regard it as deplorable if after fiasco of Baron von Neurath's visit to London this project were to fail also to materialise.

Repeated to Brussels for Secretary of State.[3]

[3] Copies of this telegram were also sent to the Prime Minister and Lord Halifax. In a private letter of November 9 to Mr. Chamberlain, preserved in the Chamberlain Papers, Lord Halifax wrote: 'I've just seen Henderson's telegram of today's date [No. 269]. I think it would be valuable—and I think it may be necessary—for you to interest yourself in the reply that the FO will send. I saw Van this morning, and was rather disturbed to hear him say that, if Hitler did not so arrange as to make the early visit to Berlin possible he thought we ought to cook our broth again on the whole thing i.e. consider abandonment. I'm sure this wd. be folly—& no doubt we shouldn't so decide. But I *am* a bit concerned lest in Anthony's absence, some rather grudging telegram should issue which would queer the pitch a bit . . .'

No. 304

Letter from Sir R. Vansittart to Mr. Chamberlain

[*R 7469/1/22*]

FOREIGN OFFICE, *November 9, 1937*

My dear Prime Minister,

I send you herewith a copy of my interview with Grandi, which followed our conversation this afternoon. He is evidently anxious and disquieted.

Yours ever,
VAN

May I have this back at your leisure.[1]

[1] A note, undated, by Mr. Chamberlain on this letter read: 'Anyway the Italians will have had their "opportunity". If they don't take it, they cannot blame us. N. C.'

ENCLOSURE IN No. 304

Record by Sir R. Vansittart of a conversation with Count Grandi

FOREIGN OFFICE, *November 9, 1937*

I asked the Italian Ambassador to come and see me this afternoon. I said that he would have noted that the Secretary of State had returned to Brussels today. Before Mr. Eden had first gone there we had put forward a suggestion that Count Ciano might also attend the Conference and thus be enabled to make contact with the Secretary of State.[2] I said that Mr. Eden's return to Brussels offered renewed opportunity for such a contact. Personally I felt strongly that it would be a pity to miss the opportunity again, and I felt sure that the Prime Minister and Secretary of State were both of the same opinion. I made it clear to Count Grandi that what I had in mind was not the opening at Brussels of Anglo-Italian conversations in detail, but rather of a *tour d'horizon* and a personal contact which should be helpful as a first stage. I said to Count Grandi that progress seemed to have become somewhat frozen and that such *a prise de contact* as I ventured to suggest might have the effect of thawing.

Count Grandi said that when the suggestion had first been made for a meeting between Mr. Eden and Count Ciano at Brussels the latter had felt that if he went there undue expectations would be excited and there would be a reaction if he came away without having achieved anything concrete.

I replied that I knew that to have been Count Ciano's original standpoint, but I was not sure that it was the right one. There was another way of looking at the problem, which was the way I had just described, that is that Count Ciano should come to Brussels without expecting any detailed or concrete result but with a view to facilitating such discussions in the future. Indeed, it seemed to me that Count Ciano had been somewhat putting the cart before the horse when he declined the first suggestion.

Count Grandi said he would transmit the message to his Government at once, and I said that if his Government thought fit to take a different view this time it would be needful to take it quickly. Mr. Eden was at Brussels today but of course nobody could say exactly how long he would be there. Count Grandi said that he realised this and would act at once, but I must admit that he did not seem hopeful. Indeed he was clearly inclined to depression, and expatiated on the deterioration of the situation since the beginning of August and on the opportunity that had then been missed. I replied that what he said might well be true, but that in any case the fault was not ours. I added that, while this was my emphatic opinion, I did not think it at all profitable to revert to past responsibilities, and thought that it would be far better to think of improving the immediate future. In this Count Grandi concurred, but he clearly did not feel hopeful of a favourable response from Rome, although he said nothing that could be actually construed in that sense.[3]

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[2] See No. 272, note 4, and No. 278.

R.V.

[3] Minutes, all of November 11, on this record showed scepticism about Count Ciano's intentions. Mr. Ingram wrote: 'I shall be very surprised if Count Ciano goes anywhere unless he can be sure beforehand that he will return to Rome with a spectacular triumph to show for his pains'. Sir O. Sargent thought that 'Count Ciano's objections to visiting Brussels are no doubt very much the same as those which some of us here feel with regard to Lord Halifax's visit to Berchtesgaden . . .' Sir R. Vansittart wrote: 'I agree that we ought now to start the conversations in Rome on the basis of our telegram of Oct. 1 [No. 217]. This is what will now, in all probability, be generally expected. R.V. Nov. 11.'

No. 305

Mr. Newton (Prague) to Foreign Office (Received November 12)

No. 330 [*R 7540/188/12*]

PRAGUE, *November 9, 1937*

Sir,

With reference to my telegrams Nos. 52 and 53[1] of to-day, I have the honour to inform you that I lunched with President Beneš yesterday alone and, at a suitable moment afterwards, broached with him the question of the German minority on the lines prescribed in your telegram No. 36 of November 6th.[2]

2. I said that I was the more glad to have this pleasant opportunity of doing so because I had received your instructions to explain to him personally your understanding of the remark in Herr Henlein's open letter that during his recent visit to London he had met with the greatest understanding. As Dr. Krofta had already been informed through Monsieur Pavlu,[3] you wished to avert any irritation or suspicions which this reference might possibly have aroused in Czechoslovakia and to explain that the allusion was doubtless to sympathies in the press and in Parliament. His Majesty's Government were, of course, aware of these sympathies and must take them into account but, so far as Herr Henlein or Herr Rutha had had any conversation with officials in London, the advice given had been to cooperate with the Government of Czechoslovakia and to pursue courses of moderation. Dr. Beneš indicated his satisfaction at this communication.

3. I went on to say that His Majesty's Government were concerned at a situation which seemed to them to be charged with dangerous potentialities. His Majesty's Government were, of course, signatories to the Treaty of St. Germain,[4] with its minority clauses, but, except for those obligations, they

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[1] These telegrams of November 9 summarized the present despatch.

[2] See No. 291, note 2.

[3] Head of the Political Section of the Czechoslovak Foreign Ministry.

[4] Of September 1919.

had no commitments and no special interests of their own at stake. Their views were entirely objective. They had at heart a cause which must be to Czechoslovakia also of equal, if not greater consequence, namely, that of appeasement. They felt, therefore, that both our countries had the same fundamental objective in this matter, though we could regard it from a standpoint of greater detachment and longer experience. We felt that the minority question was for Czechoslovakia one which would in any circumstances be of urgent and fundamental importance, but in present circumstances, when the international situation was so highly charged and so critical, it was more than ever necessary that no unnecessary pretext for mischief should be given to men of illwill and everything possible done to help and encourage men of goodwill. For this reason, the more difficult it might be to satisfy the German minority politically, the more important it was to give them all possible social and economic satisfaction. I had listened to the President's speech to the diplomatic representatives on the National Day of October 28th[5] with much interest; I had also not failed to inform you of the efforts manifested by the declaration of last February and of the explanations of the position which he himself and others had given me from time to time; but the situation did not seem to be improving and appeared, in fact, to be more strained than before. I then explained your views further by reading out to him an extract which I had prepared from your telegram and reproduce here in order to make this despatch self-contained. The only alteration which I made in the original text was to substitute for the words 'real effort' the words 'very special effort'; this I did in case Dr. Beneš should feel that the description 'real effort' implied a disparagement of the past endeavours which I believe him to have genuinely made. The passage therefore was:

> 'It is clear to us that a disunited distraught Czechoslovakia constitutes not merely a danger to itself but a danger to Europe and that it is therefore to everybody's interest that a very special effort should be made particularly at this moment of European tension to produce a contented and united Czechoslovakia which alone would be capable of constituting a deterrent to German aggression in Central Europe. At present instead of constituting such a bulwark there is a growing feeling that failure to solve Sudeten problem not only promotes internal weakness and disunity in Czechoslovakia itself but constitutes a standing and growing temptation to extremists in Germany. The remedy it is felt need not involve abandonment or alteration in Czechoslovakia's present foreign policy but in our view policy of pin-pricks towards Sudeten Germans of which evidence abounds should be abandoned and every effort be made to avoid unnecessary irritation; indeed, by improving their economic and social conditions they would be deprived of grievances which are apt to be exploited with such deplorable political and international results'.

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[5] A report on this speech was transmitted to the Foreign Office in Prague despatch No. 318 of October 31, not printed (R 7355/188/12).

In conclusion, I allowed Dr. Beneš to read this extract for himself, while making it clear that I did not wish to make any written communication.

4. Dr. Beneš received my communication with attention and expressed his appreciation of the disinterested and friendly motives by which it was inspired. Czechoslovakia's treaty obligations towards the minorities had, he said, been fully discharged and in fact exceeded. The position of the minorities in Czechoslovakia compared very favourably with that of minorities in other countries. He appreciated, however, that the problem was not a legal but a political one, and he assented to my interjection that the real task was to create unity and contentment. Dr. Beneš said it must be borne in mind that for three hundred years the Czechs had been subjected to oppression and a policy of Germanisation, which had inevitably bred defiance on their part and mutual rivalries and suspicions. It could not be expected that these could be eradicated within twenty years. For example, in the matter of education there had been before the war a German organisation which sought to Germanise Czech children and in doing so had the support of the State. In self-defence the Czechs had established a corresponding organisation which was, I gathered, the origin of the present Frontier League, known as the *Narodni Jednota*. This gave me an opportunity to remark that, with the boot now on the other leg, the *Narodni Jednota* was commonly regarded in German circles as the Czech evil genius. It was complained moreover that officials whose duty it was to be impartial had, in practice, no option but to belong to this organisation, and I had heard the suggestion, which I passed on to him for what it might be worth, that it would be a sign of the Government's intention to enforce impartiality if they protected their officials from undue pressure by forbidding them to belong to the *Narodni Jednota*. Dr. Beneš replied that the organisation was a private one to which, in a democratic State, officials were therefore free to belong, just as German officials could join corresponding German organisations. He agreed, however, that it was the duty of officials to be impartial, and only the other day his attention had been drawn to a speech made by an official at an assembly of the *Narodni Jednota* showing anti-German bias. He had called for a report from the Ministry of the Interior, had reminded them of the matter at the end of a week and repeated his reminder a week later. Realising that the matter could not be ignored, the Ministry had instituted an enquiry and finally moved the official elsewhere as a disciplinary measure.

5. Reverting to the general question, Dr. Beneš said it was perhaps a characteristic Czech quality or defect that the greater the pressure used against them the more obstinate became their resistance. Whether by this he meant pressure from Germany or from Great Britain or from himself was not clear. Perhaps he meant all three, but as regards himself, he said he must educate and lead and could not drive his fellow-countrymen. He assured me, however, both at this stage of our conversation and again in conclusion, that he was determined to prevail upon the Czechs to show moderation and conciliation. The Germans too were often unreasonable and inclined to use towards the Czechs in the German area as bad or worse treatment than that of

which they complained themselves. He realised, however, that the Germans suffered from a kind of inferiority complex which should be taken into due consideration.[6] He had set his hand to the work of solving the minority problems in Czechoslovakia. He had shown by his record that he was tenacious and he was resolved to achieve success.

6. Dr. Beneš said that in pursuance of the programme for proportional representation in the public services, the Germans had already obtained their due share in the fields of education and the law. Under the Ministry of Railways the German share of employment was at present only some fifteen per cent, which meant that another 8,000 German railwaymen ought to be employed. Annual recruitments were, however, only some 1,200, so that even if this entire number were reserved for Germans, which could not, of course, in fact be done, it would take some years to attain their statistical proportion of just over twenty-one per cent. In any case, however, if 1,200 jobs were offered to the Germans amongst the railways throughout the country he did not believe that this number of candidates would come forward.

7. Arising out of this mention of education I remarked that it was commonly said that the schools were used as an instrument of 'Czechisation'. For example, children attending Czech schools were reported to be able to obtain clothing, food or school books on reduced terms, while it was alleged that both public and private employers often imposed on German workmen the condition that their children should be sent to a Czech school. This practice seemed to be deliberate because I had heard these allegations in places as far apart as Northern Bohemia and the Hungarian area of Slovakia. Dr. Beneš practically admitted that such pressure did occur by showing me a report for which he had just called, comparing the attendances at the schools for the different nationalities and showing, if I understood him rightly, the cases in which children of one nationality attended schools of another. He said in that report twenty schools were mentioned, and in ten of them were matters calling for investigation and perhaps amendment. Sometimes, however, cases with which the Sudetic German press made great play were quite different from what they seemed. For example, it had been found that the explanation for the attendance of a number of German children in one Czech school was that the parents were Activists and did not wish their children to attend the local German school in which the headmaster belonged to the Henlein Party. Similarly, the Activist leader, Dr. Jaksch, with whom incidentally he was in close touch, had written an article a few weeks ago complaining that jobs had been refused to four or five German workmen in a tobacco factory in a German area and then two Czechs had been recruited. Dr. Beneš had investigated this apparently flagrant case and found that in that factory some ninety per cent of the employees were already German, a figure in excess of the proportion of nationalities in that area, where there were more than ten per cent of Czechs.

8. I suggested to the President that an argument which he could perhaps use with effect was provided by the history of the Czechs themselves. As he

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[6] A marginal comment by Mr. Bramwell here read: 'no doubt of this.'

had pointed out, three hundred years of oppression and Germanisation had failed against the Czechs, who had maintained their nationality, although isolated, and were now a victorious and independent people. Surely the Czechs should appreciate from their own history the folly of making the same mistake in their policy towards the German minority, which, incidentally, had the support of a powerful neighbour.

9. In the course of our conversation Dr. Beneš spoke of the constitution of the Henlein Party. Herr Henlein himself was a weak personality and no great statesman, and his chief advisers and the leaders of his party at present were, Dr. Beneš feared, predominantly separatist and pan-German. Of the party itself he thought that perhaps only one-third were pan-German, consisting of the National Socialist and Radical Nationalist parties, which had been prohibited and whose members had then gone over to the Henlein Party. Another third of the Sudetic German Party consisted of temporary adherents, whom he described in German as 'Mitläufer'.[7] Dr. Beneš evidently hoped that this floating vote would soon begin, if indeed it had not already begun, to be transferred to the Activists. The remaining third of the Sudetic German Party was Conservative and had no wish for association with Germany. My impression was that Dr. Beneš thought that the existing Sudetic German Party might easily split. The pan-German one-third would remain irreconcilable but the Conservative third might eventually collaborate with the Government. Dr. Beneš considered that the present strength of the Sudetic German Party was due to exceptional circumstances which were already changing. He though that their activity and vehemence were in some measure due to their recognition that time was not on their side and that they must therefore force the pace. He estimated that at the next general election due in four years' time the Party would lose from eight to ten seats. In subsequent elections they would continue to lose until they were reduced from their present number of forty-four to a strength of twenty-eight, which might be fairly permanent.

10. Dr. Beneš told me confidentially that he had sent the official in charge of the political section of his Chancery to give Herr Henlein a verbal reply to his open letter. In view of its terms and the manner in which it had been launched, Dr. Beneš did not propose to send a written reply, the contents of which would, moreover, have to be of an unpleasant nature. Herr Henlein had apparently expected that he would be summoned by the President, but it had been explained to him that the President could only see him on the recommendation of the Prime Minister. He would do so when Dr. Hodža could tell him that the way had been prepared and that the time was ripe for a meeting between Herr Henlein and the President. Herr Henlein had been inclined to complain that Dr. Beneš gave interviews to numerous journalists and many foreigners and was refusing one to the leader of one of the strongest parties, but it was precisely because he was a political leader that the constitutional forms must be observed. If and when he were received by the

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[7] A marginal comment by Mr. Bramwell here read: 'i.e. 66% as against Henlein's own figure of 90% "alienation" to Nazism.' Cf. No. 253.

President it would be an indication that there had been a change of attitude, for which the Prime Minister must prepare the way. In the meanwhile, however, Dr. Beneš desired that Dr. Hodža should maintain contact with Herr Henlein.

11. The reference to Herr Henlein and his letter brought up, without any initiative on my part, the question of autonomy. This was, observed Dr. Beneš, a vague phrase and mischievous because by it different people meant different things. It had, in fact, no definite meaning but was a cloak for differing objectives. It might, on the one hand, represent merely a desire for some further measure of decentralisation and local self-government or, on the other, aim at the creation of a self-governing area with its own parliament or legislative body. It was the same with such phrases as 'national State' and 'State of nationalities'. He himself declined either to use such formulæ or to listen to them. But he was willing to consider on their merits specific and definite proposals, such as, for example, that a certain proportion should be observed in the employment of different nationalities or that a particular measure of decentralisation and local government should be introduced.

12. In reply to an enquiry of mine regarding the municipal and communal elections, he said that they would not be held this year, nor in 1938, as that was a jubilee year. They would take place in 1939. I enquired how this postponement could be reconciled with existing legislation, to which he replied that a new law would be introduced providing for such postponement and for the holding of local elections in 1939. As a result of the Rutha affair[8] the Activists had recently been in favour of elections and he believed that the Henlein Party did not for the moment desire them, so that their postponement would not cause any real heart-burning. This view, however, is entirely contrary to one subsequently expressed to me by a German resident as regards his particular locality; the latter informant told me that the postponement of the elections had been keenly resented and that feeling on the subject, although as a matter of prudence it might not be shown on the surface, was deep and strong. In consequence of the recent postponement it was feared that the elections would never be held. I can only hope, therefore, that the introduction of a specific law providing that they shall be held in 1939 will bring some reassurance to the German minority.

13. At the conclusion of my audience, which had lasted from 1.30 until past five o'clock, the President repeated his determination to achieve a satisfactory and permanent solution of the minority problem and assured me that he would be glad to give me further information on this and other subjects whenever I desired it.

14. I am sending copies of this despatch to His Majesty's Representatives at Paris and Berlin.

I have, etc.,
B. C. NEWTON

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[8] It was reported on October 8 1937 that M. Rutha, a member of the *Sudetendeutsche Partei* with a seat in the Czech parliament, had been arrested for 'unnatural practices'. He committed suicide in prison on November 5, 1937. There is an account of the episode in J.W. Brügel, *Tschechen und Deutsche 1918–1938* (Munich, 1967), pp. 325–6.

No. 306

Sir N. Henderson (Berlin) to Foreign Office (Received November 10, 6.35 p.m.)

No. 274 Telegraphic: by telephone [*C 7730/7324/18*]

BERLIN, *November 10, 1937*

My telegram No. 271.[1]

Baron von Neurath who spoke on the telephone with the Chancellor this afternoon informs me that latter who is really tired cannot come back to Berlin until after exhibition closes. He would, however, be glad to receive the President of the Council at Berchtesgaden on either November 18th or 19th.

I should be grateful if I could be informed as soon as possible, as I trust will be the case, that this alternative is acceptable to His Majesty's Government and Lord Halifax.[2]

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[1] Not kept in F.O. archives.

[2] Copies of this telegram were sent to the Prime Minister and Lord Halifax.

No. 307

Sir N. Henderson (Berlin) to Foreign Office (Received November 10, 9.50 p.m.)

No. 275 Telegraphic [*C 7741/7324/18*]

BERLIN, *November 10, 1937, 9.15 p.m.*

My immediately preceding telegram.[1]

If course proposed is accepted I would suggest Lord Halifax arrives Berlin by train or preferably air on the day before that selected for the visit to Berchtesgaden. He could visit exhibition that afternoon i.e. November 17th or 18th and leave by train after dinner arriving Berchtesgaden about 11 a.m. He would have lunch with the Chancellor and return same evening by train back to Berlin. Owing to prevalence of fogs flying to and from Berchtesgaden is now too uncertain to be feasible.

Baron von Neurath informed me that the Chancellor expected him to go down to Berchtesgaden with Lord Halifax and seemed to think that I might accompany the President of the Council. Unless otherwise instructed I said that if Lord Halifax came out, I did not propose to go with him to Berchtesgaden though I might send a secretary if required. I added that I regard it as important that meeting should be as informal as possible so as not to give rise to exaggerated speculation. Baron von Neurath thereupon said that his presence would not be reported and that the whole visit would be treated absolutely informally. I would suggest Lord Halifax after two or three nights in the train should spend thereafter one or two nights at the Embassy before returning to London.

Incidentally Baron von Neurath was perturbed at the announcement in today's *Evening Standard* in regard to Lord Halifax's proposed visit. I explained Lord Halifax had in any case intended if possible to visit the exhibition and that after the Prime Minister's speech last night[2] intelligent journalists had put two and two together.[3]

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[1] No. 306.

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[2] Speaking at the Lord Mayor's Banquet at the Guildhall on November 9 Mr. Chamberlain made a broad survey of foreign affairs, during which he said that Great Britain wanted relations with the Rome-Berlin axis to be built 'upon a basis of mutual friendship and understanding', but that as such understanding would be 'more hopefully pursued by informal discussion than by public declamation I propose to abstain from further words upon the subject. . . .' See *The Times*, November 10, 1937, p. 8.

[3] Copies of this telegram were sent to the Prime Minister and Lord Halifax.

No. 308

The Earl of Perth (Rome) to Foreign Office (Received November 11, 9.30 a.m.)

No. 678 Telegraphic [*R 7536/1/22*]

ROME, *November 10, 1937, 10.45 p.m.*

The press this evening publishes a bulletin of agency *Informazione Diplomatica* in answer to Prime Minister's speech at the Guildhall.[1]

'In responsible Rome circles note has been taken of the speech pronounced by the Prime Minister at the banquet in honour of the new Lord Mayor. In the above-mentioned circles it is observed in the first place that no country in the world offers the spectacle of so many public proclamations as Great Britain. It may be said that they take place daily, are not always opportune, and are sometimes harmful. They come from men who form part of the Government, or have done so or will do so again, from deputies and senators, from men more or less responsible, on any occasion more or less appropriate. In comparison, Italian conduct is characterized by an extreme parsimony of words seeing that responsible leaders make two or at the most three public pronouncements during the whole year, always in special circumstances and to indicate to the people broad lines of Italian policy. Given this premise, it has been noted in Rome circles that Chamberlain has given up believing in or hoping for a weakening of the Rome-Berlin axis seeing that to put aside this established fact would be useless and absurd when it is desired to proceed to settlement of questions at issue. Chamberlain has repeated that the British Government desires an understanding with Rome and Berlin independently of their domestic régimes. This declaration should be underlined especially as it comes on the morrow of Rome Tripartite Agreement,[2] which has aroused wide-spread comments not always in tune in circles of so-called democracies while its aims and limits are clearly defined in the text made public, the sole text, because others do not exist.

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[1] See No. 307, note 2. According to Count Ciano, this bulletin was drafted personally by Signor Mussolini: see *Ciano's Diary 1937–1938*, *op. cit.*, p. 30.

[2] See No. 274, note 3.

Finally in Rome circles while they see a coherent and logical policy in political manifestations of British Prime Minister it is thought that there ought to be no further delay in entering upon conversations and coming to conclusions by means of normal diplomatic channels (a method which has always been preferred by Fascist Government); otherwise it may come to be thought that all this is being done with the object of dragging on exchanges of views or of applying chloroform.

A mistaken calculation for no-one will allow himself to be chloroformed or surprised.'

With reference to penultimate paragraph of the above please see my despatch No. 880 of October 22.[3]

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[3] No. 266. Minutes on this telegram revealed a broad difference of opinion in the Foreign Office. On the one hand Mr. Ingram, Sir O. Sargent, and Sir R. Vansittart favoured the early opening of Anglo-Italian negotiations in Rome. Mr. Ingram, who thought the pronouncement in the telegram came from 'the pen of Signor Mussolini himself' (see note 1 above), believed that delay 'only serves to cement the Berlin-Rome axis' (November 11). Sir O. Sargent agreed (November 12), and referred to Mr. Leeper's report (No. 297). He thought that an appeal was being made; if it was refused, might not Signor Mussolini believe that he would henceforth be faced with 'two hostile Powers in the Mediterranean and must therefore reduce his commitments in Central Europe so as to be able to concentrate his strength in the South'? The refusal to send Count Ciano to Brussels ought not necessarily to be interpreted 'as evidence of incurable illwill and insincerity'. Sir R. Vansittart wrote on November 12: 'I agree with these minutes. We are running unnecessary risks.'

Lord Cranborne, on the other hand, writing on November 16, put what he called 'the political, &, in particular, parliamentary aspect'. The conversations would no doubt turn on the question of the recognition of Abyssinia. If this were granted, the Italian attitude would become more friendly. 'Are we willing to grant it? Will British public opinion allow us to grant it? . . . Only if we have reason to suppose that there is some change of heart in Italy. But I can see none. Italian troops remain in Spain. Italian pronouncements . . . remain as truculent & as deliberately offensive to Great Britain as ever. In such circumstances, I frankly believe that it would be a political blunder of the first water to grant recognition of the annexation of Abyssinia. It would profoundly shock large sections of opinion in this country. Let the Italians show some sign of friendship; let them above all show some respect for their treaty obligations . . .' Mr. Eden wrote: 'I am in entire agreement with Lord Cranborne's minute. A.E. 16 Nov.'

The officials replied in a long memorandum of November 20 (R 7776/1/22), prepared mainly it appears by Mr. Ingram on Sir R. Vansittart's instructions, suggesting that Lord Cranborne had been thinking too exclusively in terms of *de jure* recognition, whereas the British proposals of October 1 (No. 217) had proposed comprehensive talks, and had reserved the question of recognition. Lord Cranborne admitted (November 29) that he had written without knowledge of the modified terms of negotiation discussed early in October, owing to his absence in Geneva.

No. 309

Sir R. Clive (Brussels) to Foreign Office (Received November 12)

No. 69 Saving: Telegraphic [*C 7785/3/18*]

BRUSSELS, *November 10, 1937*

Following from the Secretary of State.

In the course of a conversation today at luncheon between M. Delbos, Mr. Norman Davis[1] and myself the topic of Central Europe was referred to. It seemed to be the general opinion that the Rome-Berlin axis was not inherently strong, although both parties could and would use it to the utmost as a species of blackmail.

Mr. Norman Davis put forward the theory that one of the main causes of Italy's intransigeance was that she knew that neither France nor the United Kingdom were frightened of her. This knowledge increased her inferiority complex and made her resentful and exceedingly difficult to deal with.

M. Delbos agreed that this might well be so. It was clear, he maintained, that the detachment of Italy from the Rome-Berlin axis would not solve the real difficulties of the international situation. For his part he would infinitely prefer to reach some form of settlement with Germany rather than with Italy. In comparison with Germany Italy did not count, and the real solution of the problem lay in a settlement between France, Germany and Great Britain. There were indications that this was realised also in Germany. Not only General Milch,[2] but other personalities in Germany who, while not in the political forefront, were yet influential, such as Herr von Kühlmann,[3] always spoke of a settlement between *Germany* and France as being the objective, and entirely ignored Italy.

Mr. Norman Davis said he had recently heard that Germany intended very shortly to undertake some action in regard to Austria. If she did so, he thought it must be as the result of a bargain with Italy and he wondered what price Italy could demand for her support or acquiescence in any such action by Germany. It was pointed out to him in all probability Italy would demand the whole-hearted support of Germany in her Mediterranean aspirations. Mr. Norman Davis then said that he thought Great Britain and France might be well-advised to consider the possibility of a bargain with Germany on the basis of Austria. He realised that as regards Czechoslovakia, France had formal engagements, but in respect of Austria neither France nor Great Britain had anything of the sort. Why did they not therefore make it clear to Germany that they would raise no objection to the Anschluss, provided that it would be brought about peacefully and with the full consent of the Austrian people, and demand in return that Germany should make no further encroachments in Central Europe? This suggestion appeared to make some impression on M. Delbos, who agreed that France had no formal engagements regarding Austria, but on the other hand had very considerable sympathy with the present Austrian Government, which was putting up a stout resistance to Germany. I pointed out that at present there was certainly no majority in Austria in favour of closer union with Germany. The religious question was a powerful influence. M. Delbos and I agreed in saying that if Germany returned to full co-operation with the concert of Europe, nothing, not even the colonial question, would be excluded from discussion.[4]

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[1] Mr. Davis led the U.S. delegation to the Brussels Conference.

[2] State Secretary and Deputy Reich Air Minister.

[3] A prominent businessman who had been in the German diplomatic service before the First World War.

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[4] The contents of this telegram were summarized in a note prepared by Mr. C. D. W. O'Neill, a Third Secretary in the Central Department, on the French attitude towards the proposed Anglo-Italian conversations. Dated November 27, it was intended for use as guidance in the forthcoming Anglo-French ministers' meeting: see No. 354 below. Mr. Eden added to this note on November 28: 'M. Delbos also asked that we should not open conversations with Berlin and Rome simultaneously. This was, he said, a message from M. Chautemps who feared the effect upon French opinion of a simultaneous approach to both ends of the axis. This is a question which we should discuss with the French.'

No. 310

Record by Lord Cranborne of a conversation with Mr. Chamberlain concerning Lord Halifax's proposed visit to Berlin

[C 7732/7324/18]

FOREIGN OFFICE, *November 10, 1937*

In view of what you[1] said on the telephone this morning concerning Lord Halifax's visit to Berlin, I took the opportunity of speaking to the Prime Minister this afternoon. I explained to him that you had been somewhat concerned by recent telegrams on this subject from Sir N. Henderson.[2] It appeared from these telegrams that there was no great enthusiasm on the part of Herr Hitler for such a visit. This did not perhaps so much matter if the plan was to fit in a conversation merely as a side product of a visit by Lord Halifax to the Sports Exhibition at Berlin. But if Herr Hitler could not manage a conversation before the end of the Exhibition, and it became necessary for Lord H. to wait in Berlin or propose himself to Berechtesgarten [*sic*] without encouragement, undue expectations of the results which we expected to flow from the talks might be aroused. Moreover, we might appear in the rôle of suppliant, which would be most undesirable. Under such circumstances you were of the view that the visit would hardly be justified.

The Prime Minister replied that he fully agreed that if it became necessary for Lord Halifax to ask for an interview, the effect which would be produced would be deplorable. But he did not see that this should be necessary. He understood that Sir N. Henderson was going to see Baron von Neurath. It was his view that Sir Nevile should be instructed to make one more effort to get

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[1] i.e. Mr. Eden.

[2] See Nos. 298, 301, 306, 307.

Herr Hitler to Berlin before the end of the Exhibition. If this failed, it should be indicated that if Lord Halifax were to receive an invitation to go to Berchtesgarten [*sic*], he would be glad to accept. The fact of the issue of an invitation would, the Prime Minister thought, justify any prolongation of Lord Halifax's visit and prevent any suggestion that H.M.G. had been cavalierly treated by the German Government. He stressed the fact that he was most anxious that the conversation should take place. He had already prepared the ground in his Mansion House speech,[3] and he thought that if the plan now broke down and it could be said by the German Government that the fault was ours, the effect would be disastrous.[4]

I said that I would report what he said to you and to Sir R. Vansittart.[5]

CRANBORNE

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[3] See No. 307, note 2.

[4] In a statement on the night of November 10, reported in the *Daily Telegraph* on November 11, Lord Halifax referred to his invitation to visit the hunting exhibition, and said that he had been considering the possibility of such a visit. 'If he went to Berlin he would no doubt take the opportunity of making such political contacts there as might be found convenient. He has not yet come to any final decision. The question of making personal contacts with German Ministers, therefore, cannot arise until a decision has been reached as to whether it will in fact be possible for Lord Halifax to accept the invitation extended to him.'

[5] A note by Mr. Strang of November 11 said that the original of this record had been sent to Mr. Eden at Brussels. According to Mr. Harvey's diary for November 11, Lord Cranborne telephoned to Mr. Eden at Brussels, reporting that 'P.M. and Halifax are absolutely determined that visit shall take place regardless of fact that H[alifax] is forcing himself on Hitler, and of the impression it will produce on the Germans of our anxiety to run after them immediately after the Tripartite Anti-Communist Pact has been announced' (see No. 274, note 3). See *The Diplomatic Diaries of Oliver Harvey 1937–1940, op. cit.*, p. 59.

No. 311

Memorandum by Mr. Collier

[*C 8961/2524/62*]

FOREIGN OFFICE, *November 10, 1937*

The conclusion of the so-called 'Three Power Anti-Communist Pact'[1] gives me an excuse,—which I hope may also be regarded as a justification—for offering certain observations on the present grouping of the Powers and its effect on our own policy, which I have long been contemplating, but had deferred committing to paper until I had a suitable oportunity for submitting them.

2. I ventured to point out nearly a year ago, in connexion with events in Spain, that it was inevitable that Nazi Germany and Fascist Italy should come together, and that it was probable that they would ultimately be joined by Militarist Japan.[2] I was aware that the opposite view was held by many members of the Service, who argued that German and Italian aims, at least,

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[1] See No. 274, note 3.

[2] Cf. Volume XVII, No. 406, note 4.

were fundamentally incompatible; but I pointed out that even if that was so, there was no likelihood that the incompatibility was likely to become manifest or to affect the attitude of either Power towards this country, so long as neither of them had attained its aims. The three Powers are, in fact, like a band of robbers who may quarrel over the division of the spoils, but will hang together until there are spoils to divide, because their aims are such that if they do not hang together, they may each hang separately. The bond which unites them is the doctrine, now preached officially in all three of them, that, as Mussolini has expressed it: 'a virile nation has the right and duty to expand at the expense of unworthy races.' It is preached openly in this form in Italy and Japan; and though in Germany it is sometimes disguised as a claim to the racial unity of all German-speaking peoples, which makes it look somewhat more respectable in English eyes, its real nature is revealed by the claim to seize and colonize parts of Russia, and by the theory of the 'Volk ohne Raum' which must seize its neighbours' territories in order to live (and whose population, incidentally, is being artificially increased, as in Italy, in order to provide evidence for this claim).

3. If this is a correct diagnosis of the situation—and I submit that the events of the past year or two have amply borne it out—certain deductions can be made from it which will affect the future course of British policy; and though they may seem obvious when put down baldly on paper, they do not appear to be grasped by many members of the Service, not even (or perhaps I should say, especially) by Ambassadors. The first deduction is that it is always useless, and may on occasion be dangerous, to attempt to weaken this *bloc* of aggressive Powers by offering special concessions to one of them. If the aims of each are aggressive and incompatible with vital British interests—and I think no-one in this Office, at least, would dispute that neither German domination of Central and Eastern Europe, nor Italian domination of the Mediterranean, nor Japanese domination of China and the Far East, would be compatible with those interests—it will not be possible to detach one of them from the others without a sacrifice which we cannot safely make; and attempts to do so by offering anything less are not only doomed to failure, but will encourage the Power to whom the offer is made to further blackmail, and at the same time display us to the world in the rôle of the unsuccessful tempter. I ventured to prophesy, at the beginning of this year, that this would be the result of our negotiating and signing the exchange of notes with Italy[3] on the Mediterranean at a time when Mussolini was pouring troops, munitions and aeroplanes into Spain; and I make bold to say that the consequences of that policy, which in spite of its ill-success, was followed up in July by the Prime Minister's letter to Mussolini,[4] have justified my worst forebodings. Nevertheless, it is still enthusiastically advocated by His Majesty's Ambassador at Rome, just as a policy of concession to Germany is advocated by his colleague at Berlin, and one of concession to Japan by his colleague at Tokyo; and though such advocacy may perhaps be discounted in their case by recalling Bismarck's comment on 'the tendency of diplomats to represent the

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[3] See Volume XVII, No. 530.

[4] No. 65.

Government to which they are accredited, rather than the Government which accredits them', I now read that His Majesty's Ambassador at Paris has been advising his French acquaintances not to react against Mussolini's intervention in Spain on the grounds that there is still a chance of weakening the Berlin-Rome axis, while, on the other hand, His Majesty's Ambassador at Cairo advocates an understanding with Hitler, as a means of weakening Mussolini's position in the Mediterranean. It is true that both Sir E. Phipps and Sir M. Lampson have consistently held their respective views for many years past, and I remember that the former expressed his view at length during the Abyssinian crisis; but, at the risk of appearing presumptuous, I cannot refrain from recording my surprise that they should seem, like the Bourbons, to have 'learnt nothing and forgotten nothing' as a result of the events of the last few years. Those events seem to me to show clearly that, as I have said above, a separate settlement with any one of the 'three robbers' is not possible without our giving him all he desires—and to give him that would be a most serious, if not a fatal, sacrifice of British interests.

4. The second deduction is that the theory which is sometimes advanced outside this Office, and has, I believe, found some favour in the economic section of the Western department—that one or other of these Powers can be bought off by economic concessions, since their aggressiveness arises from their economic need, is equally untenable. It is a historical fact (for which I have given chapter and verse in my letter to Mr. Osborne)[5] that 'expansionist' doctrines were being preached in all three countries before the war, when none of them was suffering special economic stress, and when Germany and Japan, at least, were in the full tide of economic prosperity. Such doctrines were not then, and are not now to any great extent, popular among the business classes and those who understand economics, but were preached by political theorisers and historians, and adopted by the military and aristocratic classes; and they envisaged territorial, rather than economic, expansion, the specious argument of the economic 'haves and have-nots' being a comparatively recent invention. To make economic concessions to these Powers, therefore, would not satisfy their ambitions, but would only put them into a stronger position for carrying them out.

5. It may be said by the members of what Frederick the Great called 'die timide Partei': 'But what is the alternative? 'Do you propose to fight all three robbers at once?' My answer to this is that it is not necessary to envisage a fight (though that is what is likely to come if the aggressors think we will always give way to them), but that what we must envisage is a state of armed truce based upon a balance of power, such as existed from 1870 up to 1914. It is not a cheerful prospect compared to that which we could have envisaged and, as I maintain, had it in our power to create in the days before the Abyssinian fiasco, when the League of Nations was a reality; but, to anyone who can look at it with the eye of a historian, it is not so alarming as it may appear to the uninstructed layman. After all, the balance of power maintained the peace of Europe, and to a large extent of the world as a whole, for more than 40 years;

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[5] Not printed.

and it is arguable that if the balance had been more clearly defined, so that the German general staff could have had no illusion that it had been upset in their favour, it would not have broken down when it did. At the present time, moreover, we have the advantage over our predecessors in that public opinion (which in this country, France, and America at least, almost universally recognises the new alliance of forces as one of aggressors *versus* peace-loving Powers), is well enough educated to understand the position, and to follow a definite lead to organize resistance against aggression, if such a lead is given it. I venture to assert that practically no-one of importance in this country, outside Lord Rothermere, certain Roman Catholic circles and the readers of the now defunct *Morning Post*, believes in the *bona fides* of the anti-Communist cry; and if only His Majesty's Government would give the lead to all those countries whose interests are threatened by this new 'Holy Alliance', I believe that, with the aid of France and her allies, equilibrium could be restored, and the fear of immediate aggression, which now weighs so heavily on many minds, largely dispelled. It will not be restored, however, if we continue to make protestations of friendship to one aggressor after another, in the illusory hope of detaching him from his associates before his aims are achieved.

6. I trust that I may be pardoned for expressing my views with more than usual frankness. The moment, however, seems to me so critical, and the direction which our policy now takes [s]o important for the future, that I should feel lacking in my duty as a member of the Service and an official of this Office, if I did not explain fully and frankly my attitude on so important a matter, even if it may not directly concern my department.[6]

[6] A note by Mr. Collier of December 7 said that this memorandum had been submitted in draft to Mr. Norton, who showed it to Sir R. Vansittart, 'with the result that the Secretary of State discussed it with me and the gist of its argument was included, in a milder form, in the memorandum in C 7851/G [No. 348 below] in answer to that by the Chiefs of General Staff [*sic*] in C 7851/G [No. 316 below]. The memorandum is now entered for record only'. He suggested that Mr. Orde, Mr. Ingram, and Mr. Ashton-Gwatkin might like to see the paper, and the last minuted on December 9: 'It will require an immense expenditure to maintain Mr. Collier's policy; and a lowering of standards of living both here and in other countries, whether friends or robbers.' Mr. Collier replied on December 9: 'I hope our people will prefer freedom to comfort. Anyhow, the aggressor countries should feel the pinch first—in which case they may cease their aggression. If it is a question of returning to sanity and good living: "Que messieurs les voleurs commencent!" '

No. 312

Foreign Office to Sir N. Henderson (Berlin)

No. 194 Telegraphic [*C 7730/7324/18*]

Most Immediate FOREIGN OFFICE, *November 11, 1937, 4 p.m.*

Your telegram No. 274.[1]

Lord Halifax would be prepared to come to Berlin and to proceed to

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[1] No. 306.

Berchtesgaden on one of the dates suggested. Further details as to the journey will be subsequently telegraphed to you. Before any final arrangements are made, however, it will be necessary to agree with the German Government on a *communiqué*. Ours should take the form of an announcement in the House of Commons tomorrow morning. You should therefore inform German Government urgently that we propose now to make the following statement, and I should be glad to know of their concurrence tonight if possible. Begins.

'As he himself has already stated the Lord President of the Council recently received an invitation to pay a visit to Berlin for the purpose of seeing the Hunting Exhibition. Lord Halifax has accepted the invitation, and will go to Berlin early next week. Though his visit will be entirely private and unofficial, Herr Hitler has intimated that he would be glad to see The Lord President of the Council at Berchtesgaden during the course of his visit to Germany, and Lord Halifax has accepted the invitation.' Ends.

Repeated to Brussels No. 69.

No. 313

Foreign Office to Sir N. Henderson (Berlin)

No. 195 Telegraphic [*C 7730/7324/18*]

Most Immediate FOREIGN OFFICE, *November 11, 1937, 9 p.m.*

Following from Sir R. Vansittart.

Your telegrams Nos. 278 and 280.[1]

Insertion of 'after enquiry'[2] is accepted, also change of 'early next week' to 'middle of next week'. We should much prefer to retain words 'in Berchtesgaden'. Publicity is inevitable in any case and it will be far better to tell the whole truth at once rather than allow public to believe that interview will take place in Berlin.

Please confirm German Government's acceptance urgently as statement is to be made about 11 a.m. in House of Commons tomorrow.[3]

Repeated to Brussels No. 70.

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[1] No trace of these telegrams has been found in the F.O. archives. Copies have, however, been preserved in the private papers of Lord Halifax, examined on microfilm by the Editors at Churchill College, Cambridge.

Berlin telegram No. 278, telephoned to the Foreign Office at 6.10 p.m. on November 11, referred to No. 312 and stated that Baron von Neurath agreed to the proposed *communiqué* but had suggested several textual amendments. One of these was that the words 'at Berchtesgaden' should be omitted in case advertising the place of the meeting led to an influx of press correspondents. Telegram No. 280, also telephoned to the Foreign Office on November 11, concerned textual amendments suggested by Baron von Neurath.

[2] These words were to be inserted after the words 'Herr Hitler has intimated', in order to make it clear that the invitation to Lord Halifax did not originate with the Chancellor.

[3] The statement was made by Sir J. Simon in the House of Commons at approximately 11 a.m. on November 12: 328 *H.C. Deb. 5 s.*, cols. 2017–18.

No. 314

The Earl of Perth (Rome) to Foreign Office (Received November 12, 9.30 a.m.)

No. 681 Telegraphic [*R* 7565/1/22]

ROME, *November 12, 1937, 1.10 a.m.*

Count Ciano asked me to come and see him this evening,[1] and enquired whether I had any knowledge of conversation which had taken place between Count Grandi and Sir Robert Vansittart yesterday.[2] I replied that as yet I had not had report about it. The Minister for Foreign Affairs remarked that Sir Robert Vansittart had on behalf of the Prime Minister expressed the hope that Count Ciano might see his way to go to Brussels conference in order to meet Mr. Eden there. Count Ciano had consulted Signor Mussolini and they had come to the conclusion that such a visit would be unwise. He adduced various arguments in favour of his thesis, namely that the Italian Government did not much like the milieu of the conference where some nineteen nations were assembled; it smacked too much in their eyes of collective security and League of Nations. Further he did not think that conference itself was likely to have any fruitful results and he hardly wished to go there, for its burial. Again a meeting between himself and Secretary of State could not but produce great publicity and unless definite results were obtained and he doubted whether this could happen in two or three hours conversation, the effect would be bad since it would be said that the two Minister[s] for Foreign Affairs had met and that as no definite agreement had been reached this showed that agreement was impossible. There had further been no sufficient preparation for such a meeting. If conversations were to be started the Italian Government preferred that they should take place through normal diplomatic channel when any considerable publicity could be avoided. He thought the best time for a meeting between Mr. Eden and himself would be at the conclusion of the conversations rather than at their beginning.

He asked me to explain clearly however that this negative attitude did not imply in any way that he was unwilling to meet Secretary of State; he said that if Secretary of State were able to take a short holiday in Italian Riviera or cruising in the Mediterranean he would be delighted if a meeting could be arranged.[3]

In the course of conversation I remarked that if Japan were ready to be represented at the conference position might change and his presence there be desirable and natural but I failed to move Count Ciano who seemed to hold the view that Japanese acceptance was unlikely and even if Japan did accept still did not believe conference could effect much.

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[1] i.e. November 1.

[2] On November 9: see No. 304.

[3] Cf. *Ciano's Diary 1937–1938, op. cit.*, p. 31.

No. 315

Sir N. Henderson (Berlin) to Foreign Office (Received November 12, 7.30 p.m.)

No. 282 Telegraphic [*R 7568/303/3*]

BERLIN, *November 12, 1937, 6.55 p.m.*

My telegram No. 279.[1]

When result of Saar plebiscite was announced to Herr Hitler he looked at a globe of the world, placed his finger on Austria and said 'that is the next objective to be realised'. Since that date German military might has been built up, and most determined and effective opponent of Anschluss has linked his fortunes with Germany's. In Austria the Nazi agents have been unceasingly active and a young generation is growing up sympathetic with and attracted to a régime the power of which it admires but inconveniences of which it does not know.[2] The state of mind which the Nazis wish to produce in Austria is that a Nazi victory is inevitable in the long run and that those who support Dr. Schuschnigg are backing a losing horse. Germans feel that it is only a matter of time before their beaver-like activities cause Dr. Schuschnigg's dam to crumble away. Hence renunciation of Assembly measures which are held to be unnecessary, embarrassing to Italy and dangerous. A watched pot may never boil but Nazis seem quietly confident that they will not have to wait very long.

Repeated to Vienna by bag.

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[1] This telegram of November 11 summarized an article from the *Deutsche Diplomatisch-Politische Korrespondenz* warning that the German Government was increasingly dissatisfied with the policies of the Austrian Government: cf. *The Times*, November 11, 1937, p. 13.

[2] Mr. Bramwell underlined the preceding sentence on the filed copy of this telegram, noting that it was 'only partly true', and Mr. Eden commented in an undated pencilled note: 'This is not our information, & Sir N. Henderson should be told. He can speak for Germany, not for Austria.' In a letter to Sir N. Henderson of November 18 Sir O. Sargent referred to this sentence and noted that 'the S. of S. wants me to warn you that this goes rather beyond what we believe here . . . I don't say that you may not be right on a long view but for the present the statement in question is perhaps a trifle tinged with the Nazi "quiet confidence" of which your telegram goes on to speak and as to which we have not of course the smallest illusions'.

No. 316

Report[1] by the Chiefs of Staff Sub-Committee of the C.I.D. on the comparison of the strength of Great Britain with that of certain other nations as at January 1938

[*C 7851/205/62*]

2, WHITEHALL GARDENS, S.W.1, *November 12, 1937*

PART I. INTRODUCTION

In Paper No. C.O.S. 551[2] we reviewed the comparative strength of Great Britain with that of certain other countries as at the 1st May, 1937. In a memorandum dated the 17th September 1937 (Paper No. C.O.S. 616)[3] the Minister for Co-ordination of Defence requested us to undertake a similar review showing the position as at the 1st November, 1937. Information giving comparative strengths of Great Britain vis-à-vis Italy as at the 1st November, 1937, has already been included in Part I of our Middle East Appreciation (Paper No. C.O.S. 603 (J.P.)).[4] Moreover, the general naval position has changed little between the 1st May, 1937, and the 1st November, 1937. In these circumstances, with the approval of the Minister, we forecast in the present report the comparative strengths, and estimate the readiness for war of the countries concerned as at the 1st January, 1938, in accordance with the following terms of reference:

(a) *Assumptions*

Germany and Italy hostile, and France and Belgium in co-operation with us. Russia to be taken in alternatives, either a neutral or co-operating with us.

(b) *Form of Paper*

- (i) An estimate of the armed strengths by sea, land and air of all the nations concerned as at January 1938;
- (ii) The likelihood of the assumed Powers considering themselves ready for war to be assessed on the basis of (i) and other factors such as the output of war material in the various countries by the dates mentioned, and the general economic situation.

PART II. RELATIVE STRENGTHS OF THE ARMED FORCES AS AT JANUARY 1938

2. The strengths of the forces of the nations we are considering are shown in

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[1] Circulated as paper C.I.D. 1366B (C.O.S. 639).

[2] Not printed. This paper was originally drawn up by the Joint Planning Sub-Committee in December, 1936, and was considered by the C.O.S. Sub-Committee on January 22, 1937.

[3] Not printed. In a letter of September 9 to Mr. Chamberlain, of which a copy was sent to Sir T. Inskip, Mr. Eden had referred to paper C.O.S. 551 (see note 2) and suggested that a further comparison dated November 1 might be useful. Sir T. Inskip expressed his agreement in a letter of September 10. Both these letters are filed in PREM 1/210.

[4] See No. 15, note 4, and No. 68.

detail in Appendices I, II and III.[5] A mere statement of the estimated military strengths and weaknesses of these nations does not, however, clearly convey the value of their armed forces in the event of war. Other factors, such as the state of the land fortifications, ability of the countries concerned to manufacture or import armaments and the physical conditions in the possible theatres of war have a bearing upon the military situation.

We have, therefore, summarised the military aspect as a whole and under conditions of two different political situations, i.e., Russia as a neutral and Russia as our ally.

Russia Neutral

3. In respect of naval forces, France and Great Britain will have a great superiority in capital ships and will possess 6 aircraft carriers as against none by Germany and Italy. In other respects also we shall have the advantage as the following figures show:

	France and Great Britain	*Germany and Italy*
Cruisers	102	28
Destroyers	194	139
Submarines	129	116

In our opinion such a marked superiority should enable us to exercise decisive economic pressure in a prolonged war assuming that it is found possible to impose an adequate system of rationing upon neutral States bordering enemy countries.

4. On land Germany and Italy will possess numerical superiority and, by January 1938, Germany will be able to put 39 divisions into the field on the first day of war and 15 reserve divisions within the first 4 days. All these divisions will have a full complement of Corps and Army troops with the possible exception of medium and heavy tanks. In addition, Germany has 21 to 24 Landwehr Divisions, complete with infantry weapons but deficient in artillery. These divisions are fully capable of ensuring the defence of the German frontiers. The French frontier defences are complete (except those along the Franco-Belgian frontier) and the Belgian defences will already be formidable, while the German frontier in the Rhineland will not have attained a comparable state of readiness.

The German General Staff are unlikely to consider that the strength of the German Army is sufficient to justify the prosecution of a land offensive before 1939–40. Further, they do not think that the Army will have attained its maximum efficiency until that date.

5. In the south, Italy could in all probability mobilise more divisions than she could employ, since the mountainous nature of the country on the Franco-Italian border limits the forces which can be deployed.

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[5] These appendices gave a detailed technical comparison of the land, sea, and air forces of Belgium, France, Germany, Italy, Japan, Russia, and the United Kingdom, and are not printed here.

France's fortifications upon her German frontier and the mountains on her Italian frontier in fact present military obstacles of a strength which make any rapid German or Italian success on land unlikely under conditions to be anticipated in 1938. France's equipment and maintenance problems are likely to limit the armies she can maintain unaided over any considerable period of fighting to a total strength of some 40 divisions, and Great Britain will be in no position to render her material assistance either in the form of troops or equipment.

6. In England the reorganisation and re-equipment of the Army will have reached a stage at which not more than an organised force consisting of a corps of two divisions with ancillary troops could at first be made available for despatch to a theatre of war. This force is known as the Intermediate Contingent. In addition to this corps, a proportion of the regular army at home could be mobilised, as far as personnel is concerned, and grouped into smaller formations for despatch overseas as reinforcements to existing garrisons. These reinforcing units and formations would not, however, be in possession of adequate quantities of modern equipment—see paragraph 2 of Appendix II for details.

Of this total at least one division and anti-aircraft units would be required to reinforce the garrisons of Egypt and the Sudan, and further units will be needed to bring other Mediterranean garrisons up to war strength. There is also the possibility that reinforcement of the Middle East may become necessary.

The presence of two corps of her Metropolitan Army permanently in Libya might now enable Italy to carry out operations against British and French interests in North Africa, without her intentions being discovered until just before she moved. Sustained operations against Egypt would necessitate an accumulation of reserves, and there is no evidence of such taking place at the present time. The increased volume of sea traffic, however, due to the presence of the white corps in Libya, would probably enable preparations to be carried out by January 1938 without exciting suspicion. Two of the above-mentioned Italian divisions are fully motorised, and, although we might hope for a degree of warning from their concentration in the localities where water is available, a *coup de main* against Mersa Matruh has now become a more definite possibility. Certain steps of a comparatively minor nature to improve our defensive position at Mersa Matruh have recently been under consideration by the Committee of Imperial Defence.[6]

7. The conclusion from the above paragraphs is that none of the countries specified, considered individually, will be in a position by January 1938 to embark on a major land offensive with any great prospect of success in Europe. The ability of Italy to make a sudden attack on Egypt from Libya has increased, but at the same time for a variety of reasons, notably her commitments in Spain and Abyssinia, the probability from a purely military point of view that she would take independent aggressive action in January

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[6] Note in original: C.I.D. 300th Meeting, Minute 6.

1938 appears no greater. The strengths of Germany and Italy will, however, both be more than adequate to maintain a defensive strategy by land.

8. A comparison of air strengths is given in Appendix III and shows that it is in respect of this part of their military forces that Germany and Italy are likely to have the greatest advantage over France and Great Britain. They will not only be considerably superior in first-line strength as a whole, but particularly in long-range bombers capable of attacking objectives in British territory from distant bases in their own countries. In combination the German and Italian aircraft of this type will possess a disposable bomb lift of some 1,200 tons of bombs as against approximately 450 by the French and British.

In addition to this disparity in the power of the offensive, we would emphasize the very advanced state of German defence measures compared with those of France and Great Britain against air attack, both as regards A/A guns and searchlights and air raid precautions, as disclosed in the despatch from His Majesty's Chargé d'Affairs in Berlin, dated the 18th August 1937 (C.I.D. Paper No. 1351B).[7] Also where aircraft reserves are concerned, owing to the temporary, but none the less severe, disorganisation of the French aircraft industry, combined German-Italian output of aircraft will be greatly superior to that of the French and British industries for several months after the outbreak of war.

9. In paragraphs 26–29 below, we consider what Italian policy is likely to be in the event of war against France and Great Britain, and we conclude that she would be unlikely to detach any considerable proportion of her air striking forces for independent operations against Great Britain from bases in Germany. It is, however, not inconceivable that by January 1938 an attack on this country by the German Air Force, with the support of some Italian Squadrons, might be developed on a scale of about 600 tons a day at maximum intensity, or 300 tons a day for sustained attack. The extent, however, to which attack can be sustained will depend on the efficacy of our defence, including the counter-offensive. In January 1938 our defence will not have reached a relatively high scale of readiness.

Russia as an Ally of France and Great Britain

10. The following are the principal additional forces which Russian intervention would introduce: 184 submarines (about 50 of which are stationed in the Far East); a force of 17 divisions immediately, rising to 53 divisions within a week and to rather more than 100 in three months; 3,050 first-line aircraft, exclusive of 869 specifically earmarked and located for operations in the Far East.

11. It is important to note, however, that with the exception of her submarines, and about 600 of her longest range bombers, Russia could not employ any of these forces against Germany or Italy without violating neutral territory, unless of course, the intervening States were themselves already in the war. The attitudes of the Baltic States, Roumania, Czechoslovakia, and

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[7] Not printed: cf. Enclosure in No. 112.

particularly Poland, are, therefore, of great importance in assessing the value of Russian military assistance to France and Great Britain. Moreover, we cannot ignore the probability that Russian intervention on our side might lead to Japanese support for Germany and Italy. Such an occurrence would have far-reaching effects upon the naval situation.

12. On the hypothesis that Poland and Czechoslovakia would remain neutral, Russian intervention would have little immediate military value for us, since her aircraft would have no means of attacking Germany without violating Polish neutrality, except by indirect flight via the Baltic. By this route the distance from Russian territory to Berlin is about 780 miles. In these circumstances even Russia's long-range bombers, whose operational radius of action is about 850 miles, could not bring any considerable pressure to bear upon Germany.

13. With Czechoslovakia friendly, which is a possibility under the Mutual Assistance Pact of 1925, the air situation would be improved. Nevertheless, Germany and Italy might conceivably deny Russia the use of air bases in Northern Czechoslovakia by means of a land advance. In these circumstances, the 600 long-range Russian bombers would provide the only effective means of air attack in the initial stage, and, apart from administrative and supply difficulties, these aircraft would have to violate Polish or Roumanian neutrality in order to reach their advanced bases.

14. It is only if Poland is friendly and willing to co-operate that Russian intervention on behalf of France and England could quickly develop into a real menace for Germany, though even then it is more than doubtful whether Soviet railways could continue for long to supply more than a limited number of divisions, while the difference in gauge between the Polish and Soviet railways and the former's lack of rolling-stock would make supply over long lines of communication a matter of extreme difficulty for the U.S.S.R. In these circumstances, Russia could develop a considerable scale of air attack, and although presented geographically with a wide front on which to operate her armies, the strength used would be limited by her power to maintain them. Moreover, it seems that, in view of the present internal condition, Russia might be unprepared to employ her army in Europe.

15. We have drawn attention to the effect which the attitude of Poland and Czechoslovakia would have upon the military value of Russian intervention so that there shall be no misconception regarding the immediate results likely to follow Russian intervention. The great numbers of Russian aircraft should prove a serious threat to Germany in the East in a war of long duration, as some means of exploiting them would no doubt be found in course of time. But we should be unwise to assume that Russian air forces could initially exert any effective pressure on Germany.

16. From the naval point of view, Russian neutrality is infinitely preferable to Russian intervention, if there is any likelihood of the latter leading us into hostilities against Japan.

Japan's present preoccupations in China would not necessarily affect the possibility of her hostile intervention if in 1938 the U.S.S.R. intervened on the side of Great Britain and France. We deal further with the present political and economic situation in Russia and its influence upon the probability of her intervention in paragraphs 38 to 40 below.

17. We conclude that, from a purely military point of view, the value of Russian intervention is doubtful. Even if Poland is an ally, the development of anything approaching Russia's full military strength against Germany is a matter of serious doubt, and consequently, from our point of view, we cannot expect to obtain much relief from Russian intervention until some time has elapsed.

PART III. LIKELIHOOD OF POWERS CONSIDERING THEMSELVES READY FOR WAR IN JANUARY 1938

18. We have already considered how the probable strengths and efficiency of the armed forces of the Powers concerned might influence their views as to their readiness for war. In the following paragraphs we review additional factors which would be likely to influence these views. We have briefly considered the economic situation, but it is important that this should be regarded as a most uncertain factor.

19. The recent pronouncement by the President of the United States of America on the subject of the aggressive nature of the policy of dictator Powers,[8] may have the effect of discouraging Germany and Italy from starting a war which would be regarded as one of aggression by American opinion. On the other hand, these States may think that the immediate future is better for their purpose than a later date, when American public opinion would possibly be so educated that the Neutrality Act would be modified so as to discriminate against an aggressor.

20. The present political situation makes it unlikely that any of the Powers which we have assumed as our possible allies would initiate a war. There is greater danger that Germany or Italy might be the aggressor. We therefore examine in greater detail the possibility that either of these two countries might consider itself ready for war than we devote to those countries which might become our allies.

As we have already shown, conclusions based on the terms of reference for this paper might have to be considerably modified if other countries such as Poland or Czechoslovakia abandoned their attitude of neutrality.

Germany

21. *Armed Forces.* Apart from the actual comparison of strength in 1938 and its bearing on German prospects of success, Germany, in judging the advisability of risking war in January 1938, will be influenced by the way in which the comparison of strength is likely to alter within the next few years. In January 1938 Germany will be able to mobilise the same number of divisions

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[8] See No. 222.

as France, but by 1939 she is likely to have a marked superiority. In the same interval of time the contingent which Great Britain could send to the Continent may have increased from two to four divisions with a certain number of units of armoured fighting vehicles which could be made available from the Mobile Division (which at that time would not be ready for war as a complete formation). This, in the eyes of the German General Staff, is not likely to outweigh the importance of numerical advantage over France.

On the other hand, in January 1938 Germany will be far ahead of either Great Britain or France in respect of her power to stage an air offensive, and in her preparations for resisting air attack.

Although there have been indications that in some quarters the belief is held that success in war can be achieved by the exercise of air power alone, there is no proof that this represents German military opinion as a whole, and however much certain opinion in this country, conscious of our vulnerability and the state of our defensive preparations, may doubt the issue, it does not follow that Germany is prepared to risk a war in which her hope of success would depend almost entirely on the action of her air force; also in considering her prospects of success by means of air warfare only, Germany must take into account possible action by Russian air forces.

22. The comparison of strengths which we have made has shown that the intervention of Italy on Germany's side would give the German and Italian combination superiority in numbers of divisions and, particularly, of bombing aircraft. We have already expressed doubt as to whether this superiority would be judged sufficient to assure German-Italian success, and in spite of the recent conversations between the heads of the two States, the German General Staff is believed to have little trust in the reliability of Italian promises of intervention. They would probably oppose any policy likely to precipitate war in 1938 if that policy could only be justified by reliance upon Italian co-operation.

23. *Economic.* Our very great superiority over Germany at sea must render the latter apprehensive of the ultimate effect of the economic pressure which she must expect us to develop against her; perhaps the more so were Italy her ally, since the problem of applying economic pressure to Germany and Italy together would in some ways be simpler than that of applying it to either country alone. Our position in this respect would be strengthened by the intervention of Russia, since she might cause some measure of interference to Germany's communications in the Baltic, whereas, as a neutral she might supply Germany's needs to some extent. At the same time, Germany's financial position is weak, while her Four-Year Plan for self-sufficiency is at a stage when it is a liability rather than an asset, and her stocks of raw materials would only support a short effort under war conditions. Arguing purely from economic grounds, therefore, Germany is unlikely to embark on a war in which she cannot foresee a good prospect of gaining a decision in a short time.

24. The German output of armaments, already very great, does not appear to have diminished during 1937, whereas recent nationalisation measures introduced in France and internal labour disputes have temporarily reduced

French capacity for industrial expansion in emergency, particularly in the case of aircraft. In Great Britain the output of war material will still be on a low scale. In eighteen months' to two years' time our output will have much increased and in emergency should be considerable, while France may well have recovered her equilibrium. For these reasons Germany might feel in 1938 that her industrial position for a war of short duration would be stronger in comparison with that of her potential enemies than would be likely to be the case a few years later.

25. *Conclusion.* If, early in 1938, Germany were faced by a sudden emergency in which the possibility of going to war on her western frontier had seriously to be considered, her military position on land would be a factor tending to dissuade, whereas her military position in the air and in relation to industry would be factors which might encourage her. Economically, however, she must seek a quick decision; and so long as she expects to meet the combined strength of France and Great Britain she must doubt whether her advantage in air power will be sufficient to promise a quick result. We therefore conclude that, even if assured of the co-operation of Italy, Germany would hesitate to embark, early in 1938, on hostilities against us.

Italy

26. *Armed Forces.* The factor which would bear most directly on Italy's readiness to engage in hostilities would be the rôle which she would have to fulfil if she went to war as an ally of Germany against Great Britain and France. She would no doubt be conscious that unless Great Britain and France were decisively defeated on their home front her own chance of retaining any territory she might have succeeded in capturing from them in North Africa would be small. It would therefore appear at first sight to be in Italy's best interest to employ her forces with the object of bringing direct pressure against Great Britain and France in the main theatre.

27. The prosecution of this policy, however, would involve certain disadvantages for Italy. The southern frontier between France and Italy is unsuitable for the development of a land offensive and the French defences are strong, so that land operations in this area would be likely to prove costly to Italy. The alternative course of initiating an air offensive against the South of France would be equally unprofitable to Italy since her own important industrial areas in the neighbourhood of Milan and Turin could easily be reached by the French air counter-offensive. In view of these facts it would not be to Italy's advantage to initiate an offensive on the Franco-Italian frontier.

28. The only other means whereby she could employ her forces in close support of those of Germany would be by despatching them through Austria to operate in conjunction with the German forces. It seems improbable, however, that Italy would be likely to have made a plan of this kind for her land forces since it would involve far closer co-operation between the Italian and German General Staffs than there now appears to exist. The transfer of air forces to bases in Germany with a view to increasing the scale of direct air

attack against Great Britain would be a more likely course of action, and there is already adequate aerodrome accommodation in Germany to permit this being done. Nevertheless, Italy is understood to attach so much value to her air power as a means of countering our sea power in the Mediterranean that it seems unlikely that she would willingly denude herself of any large proportion of her air-striking force in the initial stages of a war against France and Great Britain.

29. In view of the above difficulties and disadvantages which would appear to attend any attempt by Italy to develop an offensive in Europe she may well decide that her proper rôle in this war would be to attack British and French interests in the Mediterranean and North Africa on the assumption that she is in such a strong position locally that we should have to divert a large proportion of our war effort from the main theatre in France in order to maintain our prestige in the Middle East.

Such a course of action would have additional advantages for Italy in that she could pursue it without much strain upon her land forces, and could retain her air forces where they were equally effective either for attack or home defence. She would, moreover, be operating against those territories which she might hope to make her own as the outcome of any war against Great Britain.

30. If the above is a correct analysis of probable Italian action in a war such as we are considering, the effect it might have on her assessment of her readiness for war is important. Attack upon British and French interests in the Mediterranean is for Italy a limited commitment which she might be quite willing to undertake even in her present state of readiness, so long as she was assured that France and Great Britain would be mainly preoccupied with defence against Germany.

31. On the other hand, Italy will still be faced with considerable military and economic commitments in consolidating her position in Abyssinia and giving assistance to General Franco in the Spanish Civil War; both of these enterprises are dependent on sea communications which can be interfered with by naval action and, in addition, the communications to Abyssinia are vulnerable in the Suez Canal to action by land forces.

32. *Economic.* Growing difficulties over the balance of payments are progressively weakening Italian economic resources at the present time, and Mussolini has already resorted to the expedient of a capital levy. This appears to indicate that the strain of the Italian armament programme is already severe. Such a situation may contain the elements of danger, since if the economic situation deteriorates much further Mussolini may prefer to gamble upon the results of external adventure rather than face the effect of economic collapse in Italy. On the other hand, in war, Italy is vulnerable to economic pressure and her economic situation would become worse even than in peace as the result of joint action by the French and British, and, possibly, by Russia. In these circumstances Italy, like Germany, would hesitate to embark on war unless she sees a prospect of quick victory.

33. *Conclusion.* If war is initiated by Germany, it would be in keeping with

the character of Italy to attempt some form of blackmail before irrevocably committing herself to co-operation with Germany. If, however, she thought she could rely on Germany to defeat Great Britain, she herself would be only too pleased to exploit this circumstance in the Mediterranean and North-East Africa. In no other circumstances, however, except possibly for reasons of prestige, would Italy be likely to face the risk of war.

France and Belgium

34. An attempt to assess the readiness of France and Belgium for war in 1938 by balancing the theoretical arguments which might govern their decision would be misleading.

35. There is ample evidence that the position in France, and even more so in Belgium, in regard to war reserves is bad. The partial nationalisation of the French peace-time armament and aircraft industries has been completed on paper, but so far these measures, combined with labour troubles, have had the opposite effect to that desired. Financial, economic and social difficulties have jointly conspired to damp down the pace of French production of armaments and to reduce capacity for rapid expansion, and the present condition of the French aircraft industry is deplorable. Moreover, present reports indicate that lack of equipment, inefficiently executed reorganisation and political interference in the Service, has very seriously affected the fighting value of the French Air Force. The effective power of the Belgian armament industry is less than that of the French; war reserves are very seriously deficient, and the fact that the bulk of the armament factories are close to the German frontier makes it impossible to rely upon their output in war. In 1938 neither France nor Belgium is likely to obtain much outside assistance as regards supplies of munitions.

36. Against these considerations may be set the fact that French mobilisation in 1938 would enable her to put approximately the same number of divisions as Germany in the field, whereas, by 1939, this will no longer be the case. France must also consider that her fixed land defences are now relatively as strong as they are ever likely to be, and looking ahead she may foresee the danger of military encirclement by three dictator Powers. None of these considerations, however, is likely to outweigh French determination not to seek war.

37. Belgium's attitude is always purely defensive. The recent statement of her policy indicates a desire to keep clear of commitments and guarantees, and to preserve her neutrality in a war in the West of Europe. At the same time, Belgium is engaged in putting her defences in order; the completion of these will increase her chances of remaining neutral, an attitude which, from the military point of view, is to the advantage of France and ourselves.

U.S.S.R.

38. *Armed Forces.* Although the U.S.S.R. has very great man-power and

large stocks of equipment, including aircraft, it is doubtful whether her military staff would consider her organisation sufficiently developed to enable her to embark on an offensive war with confidence. The Soviet forces have as yet made little progress in tactical training with the modern arms which they have acquired. The armament industry is still young and has fundamental weaknesses which influence output. In war it could not yet maintain for any length of time the maximum forces that the U.S.S.R. can mobilise, while the transportation system of the country, though improved, has not yet been developed to a pitch where it could stand the strain of anything but a short war. The rebuilding of the Soviet Navy is still in its infancy except so far as submarines are concerned. It is considered that the Russian Air Force would rapidly deteriorate when it began to suffer heavy casualties, since, although there is an enormous so-called reserve of pilots, practically the whole of the personnel reserve is very poorly trained in all respects. This weakness is giving the Russian Staff much concern.

39. *Economic and industrial.* Intervention in a war in which Germany, Italy and, possibly, Japan, would be engaged against her would entail the loss of all the foreign trade normally passing through her Baltic and Far Eastern ports, and interference with her Black Sea ports. Her foreign trade is, however, on a small scale, even in peace, and the prospect of its loss would not be likely to deter the U.S.S.R. from war. There is no doubt that reserves of certain strategic raw materials have been accumulated, but there is little information from which to gauge their size.

40. Above all, the internal situation in the U.S.S.R. has deteriorated to such an extent during the past year, as a result of political and industrial troubles, that she is unlikely in any circumstances to embark on an offensive war unless she is directly threatened.

PART IV. CONCLUSIONS

41. Below we summarise the conclusions reached in this paper in relation to the situation, as we foresee it, in January 1938.

(i) Great Britain, France and Belgium would be much stronger at sea than Germany and Italy, and would be able to exercise considerable economic pressure. Neither Germany nor Italy is likely to be in a strong financial or economic position, and the allied pressure would probably reduce them both to a very weak condition in the course of a long war. It is therefore unlikely that Germany or Italy, either singly or in conjunction, would embark on war unless they believed that they could achieve victory quickly.

To make economic pressure effective within a reasonable time, it would be important for it to be applied immediately on the outbreak of hostilities, and for it to include an adequate system for the rationing of neutrals.

(ii) The German Army will not have either the numbers, equipment or training to justify a belief that she could overrun France quickly. Even with the co-operation of Italy on the Franco-Italian frontier she would not be justified in anticipating a rapid decisive success on land.

(iii) Although there have been indications that in some quarters the belief is held that success in war can be achieved by the exercise of air power alone, there is no proof that this represents German military opinion as a whole. Nevertheless, if internal difficulties should force her leaders to consider war as the only alternative to loss of prestige, they might decide to gamble upon the effect of air attack. The scale of her attack in 1938 would be lower than that of which she may be capable in 1939, but, on the other hand, she may become aware of our deficiencies in modern bomber aircraft and the backward state of our air defence measures and the industrial weakness of France.

(iv) The internal situation in the U.S.S.R. has deteriorated to such an extent during the past year as a result of political and industrial troubles that she is unlikely in any circumstances to intervene unless she is directly threatened.

(v) In Paper No. C.O.S. 551 we referred to the possibility that Russian intervention on the side of the Allies might result in Japan supporting Germany and Italy. If this were so Russian intervention would, in fact, be an embarrassment rather than a help. It is difficult at any time to forecast with accuracy what policy Japan may pursue and her present preoccupations in China would not necessarily affect this uncertainty as to her action. In any event, the intervention of the U.S.S.R., while Poland and Czechoslovakia remained neutral, would confer little immediate benefit on the Allies' cause. If Germany and Italy believed themselves justified in counting upon a quick decisive success against France or Great Britain, the fear of Soviet intervention would not, therefore, necessarily deter them from war.

(vi) Italy might consider that alliance in war with Germany against Great Britain would give her great opportunities in the Mediterranean and North-East Africa, although she must realise that the retention of any conquests she might make would depend on the ultimate result of the war. In no other circumstances, however, except possibly for reasons of prestige, would Italy be likely to face the risks of war.

(vii) In considering their chances of success in war Germany and Italy would probably take account not only of their own state of preparedness, but of the internal conditions in probable enemy States. We therefore regard the present internal conditions in France and Russia, and the consequent effect on the military strengths of those countries, as factors which increase the danger of war.

42. From the above Report it will be seen that our Naval, Military and Air Forces, in their present stage of development, are still far from sufficient to meet our defensive commitments, which now extend from Western Europe through the Mediterranean to the Far East. Even to-day we could face

without apprehension an emergency either in the Far East or in the Mediterranean, provided that we were free to make preparations in time of peace and to concentrate sufficient strength in one or other of these areas. The lack of a defended Fleet base and dock in the Mediterranean, other than at Malta, is a serious deficiency; the defences and dockyard at Singapore are also uncompleted. So far as Germany is concerned, as our preparations develop, our defence forces will provide a considerable deterrent to aggression. But the outstanding feature of the present situation is the increasing probability that a war started in any one of these three areas may extend to one or both of the other two. Without overlooking the assistance which we should hope to obtain from France, and possibly other allies, we cannot foresee the time when our defence forces will be strong enough to safeguard our territory, trade and vital interests against Germany, Italy and Japan simultaneously. We cannot, therefore, exaggerate the importance, from the point of view of Imperial defence, of any political or international action that can be taken to reduce the numbers of our potential enemies and to gain the support of potential allies.[9]

CHATFIELD
C. J. DEVERELL
C. L. NEWALL[10]

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[9] The Foreign Office were only given a few days to consider this paper, which was to go before the C.I.D. on November 18. Mr. Mallet described it (November 16) as 'depressing reading', and drew attention to the last paragraph of the report which stressed the importance of reducing the number of Great Britain's potential enemies by political means. In minutes of November 16 Mr. Strang and Mr. Ingram also agreed on the importance of this paragraph. Mr. Collier, however (November 17) felt that it was 'unreal' to assume that in the event of a European war there would be any neutral states, and regarded the idea of reducing the number of potential enemies as 'a dangerous will-of-the-wisp'. He felt that the Anti-Comintern Pact meant that Germany, Italy, and Japan would not be detached from one another and that it was more important to try and get the Eastern European states into a friendly position: cf. No. 311.

Sir O. Sargent (November 17) expressed agreement with Mr. Collier, but complained about the short time available for the Foreign Office to study the paper. Sir R. Vansittart minuted his agreement, and suggested a draft paper in reply to the report: apparently Mr. Eden also asked for a paper to be prepared setting out the F.O. comments on the report at length. This paper, based on a draft by Mr. Collier and revised by Sir O. Sargent and Sir R. Vansittart, is printed as No. 348 below. It was decided at the 301st meeting of the C.I.D. on November 18 to defer consideration of the Report until the Foreign Office comments had been received.

[10] Chief of the Air Staff since September 1, 1937.

No. 317

Sir N. Henderson (Berlin) to Foreign Office (Received November 15, 12 noon)

No. 683 Saving: Telegraphic [*C 7799/270/18*]

BERLIN, *November 13, 1937*

I called on Dr. Goebbels yesterday morning. He began by asking if I noticed better tone of German press in last ten days. I said that I had and had been especially surprised at two friendly articles about British democracy in the *Angriff* (his particular paper). I said that I hoped this would continue as I thought it desirable to create favourable atmosphere in general and in connexion with Halifax visit in particular. British press was not controlled yet I hoped it also would say nothing at this juncture to prejudice that atmosphere.

Goebbels promised to be helpful. I added that it was not flattery which we wanted; we were impervious both to it and to threats, but gratuitous attacks annoyed us, cf. Palestine. In this connexion Goebbels then himself said that he thought that the colonial campaign had been exaggerated. I agreed cordially with him and said that English people particularly resented the repeated assertion in public speeches as well as the press that we had 'robbed' Germany of her colonies. She had lost them as the result of war. Goebbels replied that he could quite understand and respect the argument that we had won the colonies in war and meant to stick to them on that account, but what irritated the Germans was the repeated assertions that colonies were of no use to anyone and that Germany could buy all the raw materials she wanted in other people's colonies. Such an attitude was sheer impudence (*eine Frechheit*) since we ourselves attached both utmost importance to our own colonies and also knew that Germany had no foreign exchange with which to buy in other colonies. I retorted that to talk of 'robbery' was a worse impudence but I agreed that on neither basis were we likely to get any further forward.

Dr. Goebbels then referred to Hitler's desire to be friends with Great Britain. He said that ever since he had known him from his early beginnings this had been one of his chief aims. Hitler's instinct was always right and the need for an Anglo-German understanding was one of his instinctive feelings. I said that I was an optimist and still hoped that an understanding was realisable. In any case the visit by Lord Halifax was an exploratory attempt to see if it was and I hoped that the press in both countries would help and not hinder. Until 1914 we had never had occasion to fight with Germany and I personally did not wish to do so again. We were not afraid of her but another war, whoever won it, would benefit neither of us. We had no desire to separate Italy from Germany any more than she should or could desire to separate Great Britain and France, but there was no reason why we could not live all four amicably together for the benefit of humanity, civilisation and Europe.

Dr. Goebbels expressed, as he apparently always does, entire agreement. In any case I hope that he will see that the press behaves itself at least until after the Halifax visit.[1]

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[1] Sir N. Henderson's language in this interview was approved in Foreign Office despatch No. 1388 of November 20.

No. 318

Mr. Eden to Sir E. Phipps (Paris)

No. 2141 [*C 7852/7324/18*]

BRUSSELS, *November 13, 1937*

Sir,

M. Delbos spoke to me with some anxiety this evening[1] of the reports that were reaching Paris of Lord Halifax's impending visit to Berlin. It was unfortunate that the French Government had not known of this impending visit in advance. I explained that, though the visit was purely private and unofficial, we had of course intended to inform the French Government well in advance of any final decision. We had indeed done this.[2] Leakage had unfortunately preceded the decision itself. M. Delbos replied that he fully understood the position and, for his own part, was far from opposed to the journey, though he anticipated that Lord Halifax would be asked some awkward questions. It was, however, imperative to do nothing at this time to weaken the good relations between our two countries. His Majesty's Government must surely be aware that this was the continuing purpose of both Rome and Berlin and nothing could give either of these capitals more satisfaction than any indication that the solidarity between our two countries was being weakened. This was more especially the case at a time like the present when the Three Power Anti-Communist Pact had so recently been signed.[3] M. Delbos begged me to believe that anxiety on this score was shared by responsible opinion in France. He was not, of course, speaking for the more nervous sections who were always apprehensive of a change in British policy. In reply I told the French Foreign Minister that I fully appreciated the importance of the considerations which he had put to me. At the the same time it was very desirable not to exaggerate the significance of this visit. Lord Halifax was not going on an official footing to negotiate some agreement with the German Government. The visit originated as a private one and the occasion of his meeting with the German Chancellor might prove useful. Questions could be asked by Lord Halifax as well as by the German Chancellor and the advantage was to some extent with Lord Halifax since he could always take refuge in saying that he would have to consult his colleagues.

2. We then spoke of what might be expected to be the subject-matter of the interview. M. Delbos said he presumed that the Chancellor would ask questions about His Majesty's Government's attitude in respect of colonies and also Central Europe. As regards the latter he begged that we should be

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[1] Mr. Eden was in Brussels until Sunday, November 14, when he returned to London. An undated note by M. Delbos confirms that this conversation took place at Brussels on Saturday, November 13; see *D.D.F.*, *op. cit.*, No. 230. It appears that this despatch may have been drafted in Brussels, and the draft later entered in the F.O. files.

[2] Mr. Eden described this in *Facing the Dictators* (p. 511) as a lame explanation.

[3] See No. 274, note 3.

very careful to give no encouragement to anything in the nature of a Nazi adventure in Czechoslovakia. In these days it was not enough to talk of war and invasion, there was a new technique. This was the reason why in a recent speech he had referred to France's guarantee to Czechoslovakia being operative in general terms and had not limited it only to invasion. He had wished specifically to make it plain that intervention in the internal affairs of Czechoslovakia in order to facilitate aggression would be as serious as a direct attack. M. Delbos himself was going to see M. Beneš very shortly. He knew that I had recently been giving further counsels of moderation to M. Beneš and he appreciated the motives which inspired us in urging Czech Ministers to attempt to resolve this difficult problem. At the same time, it was necessary to appreciate that there was a Czech side to this question also. In the first place, there was a division among the *Sudetendeutschen* themselves. Some were loyal to the Czech state, while others would prefer to be incorporated in the Reich. M. Beneš had to take account of this factor. M. Delbos intended to have, when in Prague, a very frank talk on the whole situation with M. Beneš. He hoped to be able to ascertain from the latter the farthest point to which he was willing to go in the matter of concessions. He would report to me the result and it might be that with help in this matter we could jointly approach the German Government and attempt to make progress. If His Majesty's Government could make any contribution and help in this task, it would, of course, be very welcome, since M. Beneš was naturally most anxious for their goodwill. It would, however, be quite fatal to any prospects of a peaceful arrangement if His Majesty's Government were to give even tacit encouragement to a German adventure in Czechoslovakia.

3. As to Austria, M. Delbos said that the position so far as the French Government were concerned was different. They had no undertakings of a similar nature to those which bound them to Czechoslovakia. At the same time, it was certainly true that only a small minority in Austria desired union with the Reich today and that anything in the nature of an Anschluss could only be brought about by force, however disguised its application might be.[4]

I am, etc.,
ANTHONY EDEN

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[4] In this despatch, and in his account of the interview in *Facing the Dictators* (p. 511), Mr. Eden omits any reference to M. Delbos's criticism of Mr. Chamberlain. In his account M. Delbos wrote: 'Je lui indique les sentiments que provoquent en France certaines attitudes et certain silences de M. Chamberlain. Non que j'aie moi-même le moindre doute sur la politique du Premier britannique, mais les apparences, dues sans doute à son tempérament réservé, font parfois supposer à certains éléments de notre opinion publique que sa politique est moins directement solidaire de la nôtre que celle, par exemple, de M. Eden lui-même. Certaines avances, soit à l'Allemagne, soit à l'Italie, ont parfois inquiété . . . M. Eden me répond que nous aurions tort de nous inquiéter le moins du monde sur les sentiments de M. Chamberlain, qui est d'ailleurs d'accord avec lui . . .'

No. 319

Note by Mr. Strang for Lord Halifax on Sir N. Henderson's memorandum of May 10, 1937[1]

[*C 7932/270/18*]

FOREIGN OFFICE, *November 13, 1937*

I

1. Sir N. Henderson's memorandum, a copy of which is annexed hereto,[1] was prepared before he took up his post in Berlin, but we gather that it still substantially represents his views.

2. Sir N. Henderson's main conclusion is stated in paragraph 16, where he says that he thinks it most improbable that any attempt to achieve an understanding with Germany has today even a faint chance of success, except on the following minimum basis:

(a) an undertaking that if and when—but only when—Austria herself honestly and spontaneously desires it, we shall not oppose the Anschluss;

(b) the recognition in principle of Germany's right to own colonies and an eventual arrangement whereby some part of, say, West Africa is allotted to her;

(c) an assurance that His Majesty's Government has in principle no jealous objection to German economic and even political predominance in Eastern Europe provided Hitler undertakes to abide by his public assurances of May 21st, 1935.[2] (In this speech Herr Hitler declared that 'the German Government will therefore unconditionally respect the other articles regarding international relations, including territorial provisions, and will carry out such revisions as will be inevitable in the course of time, only by the means of peaceful understanding.')

II

3. It is well to note in the first place that the adoption of Sir N. Henderson's proposals would represent a very considerable departure from the policy hitherto followed by His Majesty's Government. This is not necessarily a decisive objection to them; but before they are considered, it would be well to see how far they would represent a reversal of policy.

4. As regards Austria (see Paragraph 2(a) above), our policy, so far as public statements are concerned, is to declare that we have an interest in what occurs there. The Secretary of State said in the House of Commons on June 24th [*sic*] last: 'We cannot, even if we would, disinterest ourselves in the course of events in Central Europe, any more than we can disinterest ourselves in the course of events anywhere else on the earth's surface as conditions are today . . . We quite realise that in trade and economic matters other nations

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[1] Enclosure in No. 53.

[2] See Volume XIII, No. 222, note 1.

have a closer interest than we in the Danube Basin'.[3] The Secretary of State supplemented these remarks by a quotation from his speech at Leamington in November 1936, in which he said: 'In addition, our armaments may be used in bringing help to a victim of aggression in any case where, in our judgement, it would be proper under the provisions of the Covenant to do so'.[4]

5. So far as the German Government are concerned, the line we have taken about Austria is described in the following extract from our despatch to Berlin No. 905 of July 15th last:[5]

'As regards the "Anschluss", it is evident that His Majesty's Government could not condone any change in the international status of Austria achieved by force against the will of the inhabitants. Even General Goering could hardly maintain that this is an unreasonable attitude. If he should ask what the attitude of His Majesty's Government would be in the event of a change of feeling in Austria, you might say that while you do not feel bound to answer such a hypothetical question, it is clear that in that event a new situation would have arisen which would affect the European equilibrium and as such would be of the utmost interest to all Governments concerned in the maintenance of European peace. Meanwhile it does not appear that the majority of the Austrian people desire any change in the international status of Austria, but it would perhaps be unwise to stress this point, unless you are satisfied that General Goering will not contradict such a statement and try and force you into position of agreeing that a plebiscite is necessary and desirable in order to put the matter to the test'.

6. Sir N. Henderson goes a good deal beyond this in his suggested intimation to the German Government: he proposes, in fact, a definite undertaking not to oppose the Anschluss provided that certain conditions are fulfilled. This will be discussed below.

7. As regards colonies (see paragraph 2(b) above) our public statements have been to the effect that we have not considered and are not considering the transfer of colonial territory to Germany; and that the question of any transfer of mandated territories would inevitably raise grave difficulties, moral, political and legal, of which we have been unable to find any solution.[6]

8. We have let it be known to the German Government through Dr. Schacht that the colonial question could not be considered unless and until agreement had been reached in principle on all the other elements which must go to make up a general settlement.[7]

9. As regards Eastern Europe (see paragraph 2(c) above), it is not clear what Sir N. Henderson means by 'political predominance'. He approaches this subject in a number of places in his paper without anywhere giving a definition of his meaning. Thus, he says: 'We should not oppose Germany's peaceful expansion eastwards', and proposes that we should leave 'a comparatively free hand to Germany eastwards'. He suggests at the same time that the 'national integrity and independence' of Germany's neighbours

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[3] See Volume XVIII, No. 670, note 5.

[4] See Volume XVII, No. 400, note 1.

[5] No. 41 above.

[6] See Volume XVI, Appendix to No. 484.

[7] See Volume XVIII, No. 671.

might still be safeguarded. There is obviously some confusion here, for he speaks of the attainment of German 'unity' as a thing which must inevitably come to pass (he mentions the *Sudetendeutschen* and the Silesian Germans as destined for absorption in Germany), and suggests that we ought to submit 'to the surge and swell of restless pan-Germanism in Central and Eastern Europe'. The aims of this pan-Germanism can clearly not be attained without damage to the 'national integrity' or 'independence' of Czechoslovakia and Poland.

10. Here again our attitude has been described in the Secretary of State's speeches at Leamington and Bradford;[8] and more recently in the following terms in a despatch which has been drafted but not yet sent off to Sir N. Henderson[9] for his guidance in further conversations with Herr Hitler or General Goering on the points raised during his recent conversations with the latter:

'The effect of General Goering's proposal is to suggest that His Majesty's Government should undertake not to intervene in any steps which Germany might at any time think proper to take in order to secure the incorporation within the Reich of those German populations living adjacent to her frontiers. Such an undertaking would be in conflict with the obligations of His Majesty's Government under the Covenant of the League of Nations. As a member of the League, the United Kingdom cannot bind itself to take no action in the event of Germany committing an act of aggression against a member of the League. This is not to say that in the circumstances suggested His Majesty's Government would necessarily intervene by force of arms against Germany. The action, if any, which His Majesty's Government would take would depend on the circumstances of the case, upon the means at their disposal, and the extent to which general international collaboration was secured. Apart from Great Britain's responsibility as a member of the League, her position as one of the great Powers of Europe makes it impossible for His Majesty's Government to subscribe to a policy of detachment as regards international developments in any given part of Europe, irrespective of the circumstances which may have given rise to these developments. . . Nor would it be correct to assume that because His Majesty's Government could not contemplate with detachment any forcible disturbance of the "status quo", they are opposed to any discussion of change. What His Majesty's Government are unable to condone is any change in the international status of a country achieved by force against the will of its inhabitants, or any forcible interference in its internal affairs. Any change in the existing situation, if such is necessary, must, in the view of His Majesty's Government be a change negotiated between those concerned.'

III

11. The main difference (apart from the colonial question) between what Sir N. Henderson proposes and the policy hitherto adopted by His Majesty's

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[8] See Volume XVII, No. 479, note 2.

[9] See No. 238, note 4, and No. 272.

Government lies in the terms of the intimation which he proposes to make to the German Government of our acquiescence in German expansion in Central and Eastern Europe, provided certain conditions are fulfilled. Whether or not we believe that territorial expansion by Germany is in any event inevitable, we should, by making any such intimation to the German Government, run the gravest risks of disturbing the stability of Europe, and bringing about hurriedly and out of season developments which should preferably take place, if they must, in their own good time, when the hour is ripe. Europe is in a tense and potentially unstable condition. What keeps it from immediate collapse more than anything else is the closeness of the Anglo-French connexion, the published programme of British rearmament, and a lingering doubt in the minds of some Government whether, in fact, Great Britain would refrain from armed intervention if trouble arose. Austria and Czechoslovakia occupy a special position in Europe and they are regarded by the world at large as tests or symbols of the direction in which the world is likely to move. Any intimation on the part of His Majesty's Government to Germany of her possible acquiescence in territorial changes to Germany's benefit would almost certainly at once become public property and would set up reactions in the minds of European Governments which might bring the European card-castle tumbling down. Our restraining influence would have lost much of its force and we might find the European scene transformed out of all recognition within a short space of time, and to our detriment. We might, in the Prime Minister's phrase[,] have spoken the word that would bring down the avalanche.

12. The position so far as we are concerned is as follows: (1) any territorial change in Central and Eastern Europe, even if it comes slowly and in good order, is certain to have political effects in Europe which it is not possible to assess, but which might well be to our disadvantage; (2) we are not (though we do not publicly say so) prepared to intervene by force of arms to prevent it; (3) the object of our policy is to keep the situation as steady as we can, without bringing ourselves face to face with war. The situation is therefore one of great delicacy, in which the resources of diplomacy are, thanks to our backwardness in rearmament, our chief instrument—unless it be our fortunately still powerful prestige. The problem is one for the most delicate handling, and it is unlikely that anything but confusion could result from any sudden plunge into a new policy of open undertakings to make concessions to Germany. The world would say that we had decided that the 'axis' or the 'triangle' had more cards than ourselves, and that we had made up our minds not only to cut our own losses, but to abandon those States Members of the League, at whose expense the first steps towards expansion by Germany would be achieved. If we were to intimate plainly to Germany that we should not oppose any territorial change that would be effected peacefully and by the will of the people, this would tend to make it easier for Germany to get what she wanted with the minimum of violence as the result of a short, sharp localised war, for our intimation would certainly be interpreted as meaning that in fact we should acquiesce in the 'fait accompli', however achieved.

13. There is another reason against making too plain an intimation to Germany of our acquiescence in her expansion. Our diagnosis may after all be wrong; German territorial expansion, though it may look inevitable, may not—for reasons now hidden to us—come to pass. In any event such an intimation would only be morally justifiable if it were accompanied by its counterpart, namely an intimation that any attempt to achieve territorial change by violence would meet with instant military resistance; and it is clear that in present circumstances no such countervailing intimation could be given, nor that, if given, it would be believed. It would also be unwise to assume too confidently that any considerable territorial change in Central and Eastern Europe, where traditions are deep-seated and where passions run high, could in fact be effected without resort to force, that is to say without war or threat of war by the stronger Power.

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14. These are some of the reasons why it is suggested that Sir N. Henderson's main proposal is not one which His Majesty's Government ought to adopt. It is also extremely doubtful whether, if it were adopted, it would achieve that settlement of our relations with Germany which everyone desires. It may indeed be doubted whether it is possible in the nature of things that by taking any step or series of steps we can settle affairs with Germany once and for all. We are perhaps too apt to regard the situation that immediately succeeded Versailles to be one which can be either perpetuated or reproduced. General settlements usually only follow wars; peace settlements more often have limited objectives, the solution of which is dictated from time to time by the changing balance of forces. Germany is likely to use the existence of her military strength, and her association with other like-minded Governments, as a diplomatic instrument for the attainment, by peace if possible, of those aims which she regards herself as entitled to cherish. There is, in fact, no stated limit to those aims; and the principles upon which Germany's foreign policy would be based have been set out with brutal clarity in 'Mein Kampf', certain significant extracts from which are appended hereto.[10] Such limits as there may from time to time be will be determined by the extent of the forces arrayed against her,and by her estimate of her own interest for the time being. As the world is constituted today, we can hardly hope, in any forseeable future, for a state of stable equilibrium in international affairs. If we are to maintain our position in the world, we shall require a more circumspect and more resourceful employment of our diplomacy than perhaps at any time during our history. The time is not one for rash initiatives.

15. The conclusion, therefore, is that Sir N. Henderson's main proposal would be a serious departure from the policy hitherto followed by His Majesty's Government; that it is not one which it would be wise for His Majesty's Government to adopt; and that even if it were adopted it would be

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[10] Not printed.

unlikely to lead to that general agreement with Germany which it is designed to bring about.

16. Apart from this, Sir N. Henderson's paper contains a good many questionable statements and arguments, into which it is hardly necessary to enter. Two of them, however, may be mentioned. He suggests in one place that France should be prevailed upon to renounce her quasi-protectorships over Poland and the Little Entente, as well as the military obligations and guarantees of her alliance with Soviet Russia. The relation between Poland and the Little Entente is no longer anything that can fairly be described as a 'quasi-protectorship', but it is difficult to imagine any step which would have a more unsettling effect, both on our relations with France and on the situation in Europe as a whole, than pressure by us upon France to sever her connection with her allies and associates. It may well be that those ties will become modified as time goes on, but it would be the height of unwisdom for us to intervene or to attempt to hasten the process. Time solves many difficulties in diplomacy, which attempted short cuts would only serve to magnify.

17. Sir N. Henderson speaks in another place of a reformed League of Nations to which Germany might return. We know from other letters he has written that the kind of reform that he has in mind is a reform which would permit of the attainment of Germany's territorial aims within the framework of the League. Here again experience has shown us what a delicate matter it is to tamper with the provisions of the Covenant. The coercive provisions may not be effective; but to propose their deletion would remove a good deal of the moral taint from aggression and shake the structure of Europe. Members of the League, by abdicating responsibility, would make the path easier for aggressors. The proceedings of the Committee at Geneva dealing with this question has shown that any substantial reform of the Covenant is not practical politics.[11]

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[11] A minute of November 13 by Sir O. Sargent on this document read: 'I think this is admirably put. Its great merit lies in the fact that our case is neither over nor acrimoniously stated. In present circumstances, if anything an under statement of our case is likely to be the more effective, and I suggest therefore that you should not attempt to strengthen it.' Sir R. Vansittart added on November 13: 'Very good indeed. I think the S. of S. shd. glance through it. Lord Halifax shd. have it by Tuesday [November 16].'

Mr. Eden, who returned from Brussels on November 14, had a meeting that evening with the Prime Minister, Lord Halifax, and Sir R. Vansittart to discuss Lord Halifax's imminent visit to Germany. Notes by Lord Halifax for his conversation with Herr Hitler, and a commentary on them prepared by Mr. Strang, Sir O. Sargent, and Sir R. Vansittart were considered. The commentary is filed at C 7866/7324/18, but Lord Halifax's notes have not been found in the F.O. archives. It appears that Sir N. Henderson had called Lord Halifax's attention to his memorandum of May 10 (Enclosure in No. 53), and Mr. Eden had this document sent to Lord Halifax with Mr. Strang's comments. Mr. Eden, who had a chill, spent Monday, November 15, in bed. He had a final consultation with Lord Halifax on the morning of November 16: Lord Halifax left for Berlin on the 2 p.m. train from Victoria, arriving in Berlin on the morning of November 17.

After seeing Lord Halifax at the Foreign Office on November 16 Mr. Eden walked across Downing Street to see Mr. Chamberlain, and there followed the interview which he describes in *Facing the Dictators* (*op. cit.*, pp. 511–2) as having 'gone badly from the start'. He complained that press reports from official sources outside the Foreign Office were giving exaggerated importance to the Halifax visit. Mr. Chamberlain promised to 'see the press himself and damp down its enthusiasm', but he in turn criticized the Brussels conference as a 'complete waste of time'. Mr. Eden then deplored the slowness and lack of drive of the rearmament programme; exchanges 'became rather sharp'; Mr. Chamberlain finally 'adjured' the Foreign Secretary 'to go home and take an aspirin'. Cf. also *The Diplomatic Diaries of Oliver Harvey*, *op. cit.*, p. 60–1.

No. 320

Sir N. Henderson (Berlin) to Mr. Eden (Received November 14, 9.30 a.m.)

No. 283 Telegraphic [*C 7828/7324/18*]

Important BERLIN, *November 14, 1937, 1.20 a.m.*

My telegram No. 281.[1]

I should like to send out invitations as soon as possible for a dinner party for Lord Halifax at the Embassy on Saturday November 20th to which I have already informally invited Dr. Goebbles [*sic*][2].

I saw General Goering today and he would like to invite Lord Halifax to lunch at Karinhall (one hour by motor from Berlin) also on November 20th. If Lord Halifax wishes he could shoot a stag there and the General would lend rifles. I said that I doubted if this last would be accepted but Lord Halifax would be surely interested to see elk and other deer there.[3]

Please telegraph whether these arrangements suit Lord Halifax. It sounds rather a rush but his train returns from Bergtesgarten [*sic*] in the early morning of the 20th and I regard it as important that he should see General Goering first after Herr Hitler. So I hope he will acquiesce. If however he feels it would be too tiring General Goering would be pleased to see him for lunch at Karinhall on November 21st (Sunday) instead of 20th.

Also please inform me by what route and hour Lord Halifax will arrive on November 18th. If Nord express. . .[4] about 9 a.m. I would take him to exhibition at 11 a.m. or 3 p.m. in the afternoon as he wishes.[5] General Goering particularly wishes to know as soon as possible the hour of visit to the exhibition as I think he might like, if he can, to be present himself.

I would propose to give Lord Halifax a rest on Sunday merely inviting some diplomats to lunch.

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[1] Not traced in F.O. archives.

[2] A marginal note against this paragraph read 'accept'.

[3] A marginal note against this paragraph read 'accept but no shoot'.

[4] The text was here uncertain.

[5] A marginal note at this point read 'accept' followed by the word 'what', apparently in Mr. Eden's handwriting.

No. 321

Sir N. Henderson (Berlin) to Mr. Eden (Received November 14, 8.15 p.m.)

No. 284 Telegraphic: by telephone [*C 7798/7324/18*]

Most Immediate BERLIN, *November 14, 1937*

The influential *National Socialist Party Correspondence* have issued the following statement under headlines: Foreign policy and anti-comintern agreement unshakeable. No horse coping in the colonial question. Sharp German declaration against malicious suggestions regarding Halifax's visit. Postponement of the journey more useful?

'A number of foreign newspapers have taken advantage of Lord Halifax's impending visit to Germany to make this visit by means of tendencious speculations the object of sensation mongering and to use it to further concrete aims. Through these suspicious activities irresponsible journalistic project makers are attempting once again to poison or discard the atmosphere of a conversation before it has taken place. They put forward alleged intentions which at least so far as the German side is concerned are not only wide of the mark but simply absurd.

In view of these more or less impudent attempts to prejudice the subject of the conversations which Lord Halifax will have during his visit to Germany by means of tendencious efforts to prejudice the atmosphere, we see ourselves obliged to bring the unsensational political situation as it really is away from the realm of transparent press manoeuvres back to the ground of political reality.

In the course of the conversations which Lord Halifax will have in Germany with important German statesmen it is clear that many subjects will be openly and freely discussed.

If[1] *however anyone entertains the hope or even only the idea that the political friendships which bind Germany to Italy and Japan could be the subject of debate, then it is evidence of a complete misapprehension of the situation. No one can shake the political reality of the Berlin-Rome axis or of the anti-comintern pact with Japan. On this point there can be not the slightest doubt.*

Moreover the suggestions that Germany might be ready to exercise influence on her political friends in regard to matters which do not concern us but only concern those states must be characterised as completely unfounded and devoid of truth.

In the colonial question the German public has noted the opinions which are held in London and Paris. It will be able to await the further development of the situation.

The bold statement has been made that it is Germany who is trying to use Lord Halifax's visit for a rapprochement with the Western Powers in order in this matter at last to bring the Great Powers to the four-handed discussion after which she hankers. We should like to correct this statement on the German point of view by saying that the Reich itself has no reason to hanker for such a discussion since there are no differences between it and these powers of such a nature as to require such a discussion. Here also in this suggestion the wish seems to be father of the thought.

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[1] The following three paragraphs, and paragraphs 11, 12, and 16 of this telegram were underlined in the original.

Germany has no desire to cover up by a new conference the all too obvious and humiliating failure of a conference of the Powers which has just taken place.[2]

The height of sensation mongering and of tendencious poisoning of the atmosphere has unfortunately been reached by a number of English newspapers of which the *Evening Standard* wins the prize with the following statements.[3] Under the headlines: Hitler ready for an armistice—No demand for colonies for ten years if he receives a free hand in Central Europe—the newspaper publishes a report from its diplomatic correspondent in which it says *inter alia* "the British Government has received a report from Berlin to the effect that Herr Hitler is ready if he receives the slightest encouragement to offer Great Britain a ten-year armistice in the colonial question; during the armistice the question of colonies will not be broached by Germany. As a quid pro quo for such a concession Herr Hitler expects that British Government will give him a free hand in Central Europe. It is known in London that Hitler's idea of a free hand in Central Europe is that Great Britain will not intervene if:

1. Germany presses for free elections or a plebiscite in Austria,
2. Germany should present to Czechoslovakia a demand for the immediate recognition of the rights of the German minority in that country to administrative autonomy within the state and to cultural unity with the people of German Reich."[4]

These impudent statements on the part of Evening Standard *represent an almost incredible attempt to poison the atmosphere immediately before Lord Halifax's visit to Berlin in a way which even the history of western journalism has seldom hitherto approached.*

We consider that there is not a single word of truth in the Evening Standard *statement*[*s*]. *They are an invention from beginning to end and deliberate falsehoods as well. Nothing is better calculated seriously to endanger international peace and* [*sic*] *such irresponsible imputations as are contained in the base inventions of the* Evening Standard.

Germany has stated her colonial demands repeatedly through the mouth of her leader and have [*sic*] no more to add to them.

Germany has moreover settled her Central European relations by treaty.

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[2] i.e. the Brussels Conference on the Far East: see No 272, note 4.

[3] The statements which follow are taken from an *Evening Standard* article of November 13: a copy of the relevant cutting is filed at C 7798/7324/18.

[4] The passage quoted above omits the further remarks in the *Evening Standard* as to Herr Hitler's belief that a free vote in Austria would mean a Nazi regime in Vienna, and that political autonomy for the Germans in Czechoslovakia would paralyse Russian influence in Prague. The article also asserted that Lord Halifax would stress the closeness of Anglo-French relations, British desire for a speedy conclusion of the western pact, and British preference for settlements within the League Covenant.

There is no need for foreign assistance, instruction or permission for their interpretation or amplification?

The intention so infamously imputed to her of obtaining a free hand in Central Europe by common huckstering against a renunciation of colonies can only be described as a most shameless piece of journalistic impudence which cannot be sufficiently sharply repelled.

If Lord Halifax's visit is to take place in such an atmosphere the question must seriously arise whether it would not be more useful in the interests of political appeasement to postpone *it for the moment and to allow it perhaps to take place if the press, in Great Britain particularly, evinces that calm which is usually called decency and truthfulness in other countries.*'

No. 322

Sir N. Henderson (Berlin) to Mr. Eden (Received November 14, 9 p.m.)

No. 285 Telegraphic: by telephone [*C 7828/7324/18*]

Most Immediate BERLIN, *November 14, 1937*

My immediately preceding telegram.[1]

National Socialist Correspondence is brought out by Dietric [*sic*][2] who stands close to Herr Hitler. A statement on foreign affairs of this nature could not have been issued except on his authority and style shows signs of his hand.

It may seem strange that importance should be attached to *Evening Standard* but I learn from more than one source that following is the background. When *Evening Standard* prematurely divulged fact of Lord President's visit it was thought here that information had been given to Poliakoff[3] by persons in Foreign Office who were against visit. Article to which exception is now taken is said to have been written by Poliakoff and it is assumed since he obtained first information of the visit from the Foreign Office he is continuing to receive inspiration from the same persons for the same purpose.

I have done my best to counter these stories.

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[1] No. 321.

[2] Dr. Otto Dietrich was State Secretary and Head of the Press Division in the Reich Ministry of Propaganda.

[3] A former Diplomatic Correspondent of *The Times*.

No. 323

Sir N. Henderson (Berlin) to Mr. Eden (Received November 14, 10.25 p.m.)

No. 286 Telegraphic [*C 7829/7324/18*]

Most Immediate BERLIN, *November 14, 1937*

My immediately preceding telegram.[1]

In my temporary absence from Berlin Counsellor[2] immediately called on

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[1] No. 322.

[2] Sir G. Ogilvie-Forbes.

State Secretary to draw his attention to this *communiqué*, request an explanation, warn him of deplorable impression it would cause in London and ask for some gesture in compensation.

State Secretary[3] replied that Herr Hitler who is very sensitive in these matters and had with reluctance agreed to change in date of visit was furious with *Evening Standard* not only for giving impression that Lord President would bring concrete proposals but also for giving publicity to visit, the arrangements for which he wished to keep as secret as possible. He added, nevertheless, that this *communiqué* should not be taken too tragically. It had not the same official status as one emanating from D.N.B. or as a D.D.P.K. statement. He considered it was too late to suppress it from Monday's newspapers or to obtain the necessary sanction of Herr Hitler to any statement in remedy. He said that both he himself and Minister for Foreign Affairs were very annoyed at the wording of the headlines and concluding paragraph suggesting visit be postponed and said he would immediately consult Minister for Foreign Affairs with a view to easing the situation. He nevertheless maintained it was the *Evening Standard* which was to blame for the trouble which he hoped would blow over and not cause the Embassy a sleepness [*sic*] night.[4]

Counsellor in conclusion said that last time he paid a nocturnal visit to a Minister at his private residence was in order to save some ten thousand prisoners' lives[5] and State Secretary replied with some feeling that visit of the Lord President would he hoped save many more than that number.

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[3] Dr. von Mackensen.

[4] In a minute of November 15 Mr. Mallet remarked: '*The National-Socialist Party Correspondence* is not very important but on this occasion its article seems to have been inspired by Hitler's anger at the *Evening Standard* article on 13 Nov. (in C 7798).'

[5] A reference is presumably intended to the incident reported by Sir G. Ogilvie-Forbes from Madrid in August, 1936: see Volume XVII, No. 123.

No. 324

Mr. Eden to Sir N. Henderson (Berlin)

No. 198 Telegraphic [*C 7828/7324/18*]

FOREIGN OFFICE, *November 15, 1937, 5.20 p.m.*

Following from Sir R. Vansittart.

Your telegram No. 285[1] reveals a wholly unjustifiable frame of mind on part of German authorities so far as the Foreign Office is concerned.

We do not know who was responsible for article, though Lord Beaverbrook's papers favour the visit. Poliakoff[2] has been barred at the Foreign Office for some time past and also at our missions in countries which he most frequently visits. The assumption that he obtained from Foreign Office first news of Lord Halifax's visit is therefore wholly unfounded. On this false first assumption is based a second: that he therefore received from the Foreign Office the inspiration for his second article, and then a third assumption, that the 'Foreign Office were against the visit'. Had less haste been shown in jumping to three successive false conclusions, we should have been spared this regrettable outburst on the German side.

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[1] No. 322.

[2] See *ibid.*, note 3.

I note that you 'have done your best to counter these stories'. But action described in your telegram No. 286[3] does not touch the real point of these facile and culpable calumnies. This is a dangerous frame of mind that requires curing, and you must therefore react more sharply than your telegram shows in the event of any recrudescence. There are no 'persons in Foreign Office who were against visit', nor, as you are well aware, are these *our* methods.

It might be useful if you took occasion to explain to German Foreign Office how diametrically opposed to the facts is their impression of Poliakoff's relations with the Foreign Office.

For your own confidential information his closest contacts are with the Italian Embassy here.[4]

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[3] No. 323.

[4] This telegram was drafted by Sir R. Vansittart and revised by Mr. Eden, who added the last two paragraphs.

No. 325

Letter from Sir O. Sargent to Sir N. Henderson (Berlin)

[*C 8293/270/18*]

FOREIGN OFFICE, *November 15, 1937*

Dear Nevile,

You won't mind my saying that we were perhaps a little surprised at the length and contents of your telegram No. 674 Saving.[1] We had expected just a short answer saying that you would naturally be careful not to give the German Government as regards our Central European policy the impression which the Secretary of State wished to avoid. This was and is, of course, particularly important on the eve of Lord Halifax's visit.[2] We don't want to do anything to spoil the wicket on which he has got to play: it is going to be a difficult one enough in any case.

As regards the arguments in your telegram, God knows that we are fully alive to them. It is indeed the existence of these arguments which constitutes the whole problem. But unfortunately in themselves they do not necessarily provide the solution we are all looking for.

At the end of your telegram you speak of having to 'concede' this and that in order to establish better relations with Germany. Is this quite the right word to use? Surely the concessions you contemplate are not for us to make?

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[1] No. 301.

[2] The first draft of this letter was dated 'November 8'.

Our rôle, it seems, would be to announce publicly that we should acquiesce in them and even bless them if the Germans succeed in extracting them from those concerned. (It does not seem to matter much from this point of view whether they are extorted peaceably or by military action.) Those concerned are, of course, the Czech nation, the anti-Nazi Catholic and Socialist Austrians, the other Central European states who dread to see Nazi Germany established in the Danube Basin, and lastly, in a somewhat different category, Italy and France, who have interests of a special kind in Central Europe.

I needn't point out how difficult it would be in practice for His Majesty's Government to adopt this role. It is one of the things that look easier from far than from near when one comes to work it out.[3]

But however this may be, these discussions are not very profitable in present circumstances, and the object of this letter is merely to reiterate the original request made by the Secretary of State in his telegram No. 191.[4]

[Yours,]
O. G. SARGENT

P.S. This letter missed last Tuesday's [November 9] bag as it was not possible to get it back from the S/S![5] It is now out of date so far as the Halifax visit is concerned but I send it you all the same as the comments it contains hold good irrespective of the visit.

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[3] This paragraph was supplied by Sir R. Vansittart in place of one by Sir O. Sargent which read: 'Or do you contemplate, when you speak of our making concessions that we should combine with Germany to coerce all those unwilling to make or agree to the concessions you advocate? I can hardly think that you mean this.'

[4] No. 295.

[5] See No. 301, note 2. There is some evidence of disagreement in the Foreign Office as to whether this letter should be sent. Sir O. Sargent asked, in a note dated November 16, whether he should sign it or whether 'in the circ[umstance]s it would come better from the S/S.' Sir R. Vansittart passed this note to Mr. Eden with an undated minute suggesting that 'in this instance, it wd be enough if *he* [Sir O. Sargent] signed'.

No. 326

Letter from Mr. O. C. Harvey to Mr. C. A. C. J. Hendriks[1]

[C 7932/270/18]

FOREIGN OFFICE, *November 15, 1937*

The Secretary of State, who is in bed today with a cold,[2] has asked me to write to you about one point which was discussed between the Prime Minister, Lord Halifax and himself last night[3] viz the subject of Danzig. The Secretary of State feels that he would like to make his position rather clearer perhaps than he did last night. If Hitler raises the question of Danzig, then the Secretary of State sees no objection to Lord Halifax saying that this is in the first instance a matter between Germany and Poland. If they have joint proposals to put before the League of Nations, we should see no objection, more especially if they cover the one difficulty from the point of view of the League, namely, the question of minorities.

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[1] Private Secretary to Lord Halifax.

[2] See No. 319, note 11.

[3] Cf. *ibid.*

I now enclose Sir Nevile Henderson's memorandum of May 10th, 1937,[4] which Lord Halifax was anxious to see, together with a note on it which has been prepared in the department.[5]

In conclusion, Mr. Eden wanted to remind Lord Halifax of his promise to receive the French Ambassador whilst he is in Berlin.

O. C. HARVEY

[4] Enclosure in No. 53. [5] No. 319.

No. 327

Sir N. Henderson (Berlin) to Mr. Eden (Received November 16, 11.25 a.m.)

No. 290 Telegraphic: by telephone [*C 7853/7324/18*]

Immediate BERLIN, *November 16, 1937*

Minister for Foreign Affairs told me this morning that Chancellor had expressed a wish that Herr von Ribbentrop and myself should also come to Berchtesgaden with Lord Halifax and has asked him to ascertain my views on this proposal.

I begged Baron von Neurath to reply at once to the effect that our presence would entirely alter the character of the meeting between Herr Hitler and Lord Halifax and that it was on this account that I had originally said that, subject to your instructions, I did not propose to accompany the Lord President of the Council (see my telegram No. 275).[1] I was quite certain that His Majesty's Government would agree with this stand-point[2] and I sincerely trusted that Baron von Neurath would induce Herr Hitler to accept it. Minister for Foreign Affairs gave me to understand that suggestion had emanated from Herr von Ribbentrop. He added that he himself would not go if that was the only way to prevent Herr von Ribbentrop from going. He will let me know following the Chancellor's reply.[3]

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[1] No. 307.

[2] Foreign Office telegram No. 199 of November 16 to Sir N. Henderson said that Mr. Eden entirely agreed.

[3] Copies of this telegram were sent to the Prime Minister and Lord Halifax.

No. 328

Sir N. Henderson (Berlin) to Mr. Eden (Received November 16, 6 p.m.)

No. 291 Telegraphic [*C 7880/7324/18*]

BERLIN, *November 16, 1937, 5.55 p.m.*

My telegram No. 290.[1]

Chancellor agrees. Baron von Neurath therefore will alone accompany Lord Halifax. It would be better that this should not be published in advance.

[1] No. 327.

No. 329

Sir H. Kennard (Warsaw) to Mr. Eden (Received November 19)

No. 503 [*C 7966/5/55*]

WARSAW, *November 16, 1937*

Sir,

I have the honour to inform you that notwithstanding the reassuring attitude of the Minister for Foreign Affairs regarding the situation in Danzig as reported in my telegram No. 60 Saving of November 8th,[1] considerable concern has been aroused here by the attitude of the Free City authorities. The day after the issue of the Polish-German declaration on minorities and of the reference to Danzig in one of the *communiqués* issued in connexion with it, (see paragraph 1 of my telegram No. 58 Saving of November 6th)[2] the Press Bureau of the Danzig Senate issued a *communiqué* welcoming the principles of the declaration and concluding with the remark that 'now that Polish-German relations are established on so sound a footing, the development of the situation in Danzig both normal and corresponding to the natural needs of the nation cannot disturb Polish-German relations'.

2. The official Polish Telegraph Agency immediately issued a statement saying that the Senate's interpretation was entirely arbitrary for only the Polish and German Governments could say what had been agreed in the conversation between Herr Hitler and the Polish Ambassador. In any case the Danzig Senate was not entitled to interpret that part of the *communiqué*. This point was subsequently rubbed in in an unduly authoritative article published in the conservative 'Czas' which said that reference to Danzig relations in the *communiqué* on the conversation between Herr Hitler and the Polish Ambassador must be understood to mean that the Chancellor, as the

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[1] Not printed. In this telegram Sir H. Kennard reported a conversation with M. Beck concerning the German-Polish Minorities Declaration (see No. 296), during which M. Beck expressed the opinion that 'as regards relations between the [Danzig] Senate and Poland he hoped for an improvement and diminution of continual causes of friction which had recently arisen'. Cf. No. 258.

[2] No. 296.

leader of the National Socialist Party in Danzig, recognised the attitude of Poland in Danzig questions. Poland's attitude was clear: Poland demanded from Danzig respect for her rights as laid down in agreements concluded with the Free City and she would also immutably defend the Danzig Statute. It was earnestly to be hoped that German good faith would be shown by insisting on the maintenance of discipline by Danzig National Socialists.

3. Revelations in the Polish press of speeches recently alleged to have been made by Herr Forster in Essen and Düsseldorf but suppressed in the German press, have not served to increase public confidence here. Herr Forster is reported to have said that in spite of the barrier dividing Danzig from the Reich, morally it was German and Hitler was the leader. The rate at which it was taking part in the political development of the Reich would be more and more rapid . . . How could it be otherwise when so much power was radiated from the Reich . . . 'We are marching towards the Eastern frontiers towards a future full of hope'. It can hardly be said that misgivings here have been fully allayed by the assurances given by Herr Greiser that the recent Danzig decrees regarding youth organisations and regarding the creation of new political parties would not violate the rights of Polish-speaking persons or persons of Polish origin, (see Danzig despatch No. 157 of November 13th)[3] though the official press maintains its attitude of confident reserve.

4. On November 17th a *communiqué* of the Political Information Agency was published, which in view of the Agency's close connexion with the Ministry of Foreign Affairs may be taken to represent the views of Monsieur Beck himself. The *communiqué* said it was a cardinal error and political dilettantism to imply that the Free City of Danzig would go the same way as other provisions of the Versailles system. The autonomy of Danzig was a necessary compromise between Germany's ethnographical claims and Poland's vital and essential needs. The *communiqué* recently issued in Berlin as the result of Monsieur Lipski's conversation with Herr Hitler, meant that not only the Polish Government but also Herr Hitler recognised the necessity for the maintenance of this situation, and that both sides were assured against surprises of every sort. In view of various petty intrigues, it was desired to emphasise again that Poland had never tried to elude its obligations as member of the League of Nations. But in this as in other cases, Poland was only prepared to co-operate when real international interests were at stake, and not when it was a question of one or another political doctrine. It was Poland which had saved the prestige of the League in its dispute with the Senate last year,[4] and Poland would always be ready to discuss Danzig's internal affairs at the Council table, whenever the Council, in full consciousness of its international responsibilities, thought it useful to do so. But it was certain that only to defend Polish rights and interests in the Free City would Poland be ready to intervene actively with the whole power of the State.

5. It has also been officially announced that the Polish Government have protested and claimed compensation for the recent episode at Pieklo reported in the last paragraph of my despatch No. 486 of November 3rd.[3]

[3] Not printed.

[4] Cf. Volume XVIII, No. 57.

6. I am sending copies of this despatch to His Majesty's Ambassador at Berlin and to His Majesty's Consul General at Danzig.

I have, etc.,

H. W. KENNARD

No. 330

Sir G. Knox (Budapest) to Mr. Eden (Received November 18)

No. 42 Saving: Telegraphic [*R 7695/303/3*]

BUDAPEST, *November 17, 1937*

Following for Sir O. Sargent.

Speaking to me yesterday of situation of Austria M. de Kanya[1] said that he felt that Chancellor's position had grown steadily stronger, but he seemed uneasy about General Goering's impending visit to Vienna.[2] In this connexion he said while General Goering might perhaps be able to negotiate normally with the British he was intolerably overbearing with Hungarians:[3] he could not imagine what he would be with Austrians, and Dr. Schuschnigg was a man who, if bullied, would be likely to give as he got.

Repeated to Berlin, Vienna.

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[1] Hungarian Foreign Minister.

[2] Cf. No. 302.

[3] The preceding six words were underlined on the filed copy of this telegram. Sir R. Vansittart minuted on November 23: 'The marked passage about General Goering shd. be noted. And, according to the Munich Party men, this is what we shall soon be getting if we don't hurry up.' Mr. Eden added on November 24: 'But then we shall react like the Austrian Chancellor!'

No. 331

Sir E. Phipps (Paris) to Mr. Eden (Received November 19)

No. 705 Saving: Telegraphic [*C 7931/7324/18*]

PARIS, *November 18, 1937*

The attitude of the French press on the subject of Lord Halifax's visit to Germany still continues to be suspicious. This suspicion is naturally most marked in the newspapers of the extreme Left, the *Humanité* (Communist) of November 18th claiming that the British policy of putting a premium on Fascist aggression is one which sacrifices peace, which sacrifices the countries coveted by the aggressor and which, above all, is a threat to French interests. In the *Peuple* (Trade Unionist) of November 18th, M. Harmel states that it may be true that Lord Halifax's visit is only one of exploration but that it was necessary to be on one's guard with the precedent of the visit which you and

Sir John Simon had made to Berlin,[1] following which the Anglo-German Naval Agreement was signed, notice of which was given to the French Government only on the day of signature.[2]

In the *Ordre* (Centre) Emile Buré criticises the practice of engaging in unprepared diplomatic conversations and claims that Lord Halifax's visit will certainly have the effect of encouraging germanophile tendencies in Poland, Yugoslavia, Roumania and Czechoslovakia. He adds that Lord Halifax would have done much better to have gone to the Balkans and thus to have backed up M. Delbos' forthcoming tour of visits.[3]

In a telegram from London printed in the *Echo de Paris* (Right) on November 18th, M. Raymond Lacoste claims that in all quarters a parallel is being drawn between Lord Halifax's visit and that of Lord Haldane in 1912; that the visit coincides with a marked cooling off in Anglo-Portuguese relations, the proposed despatch of a British military mission to Portugal having been cancelled suddenly; and, finally, that it is rumoured that the *Evening Standard* story[4] that Germany was prepared to call a truce to colonial claims for ten years on condition that she was left a free hand in Eastern Europe was not an entire fabrication, and that a plot on these lines had been hatched by the directors of the *Times*, certain members of the Cabinet having been won over to the proposals.

Copy sent to Berlin.

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[1] In March 1935: see Volume XII, No. 651.

[2] The agreement was signed on June 18, 1935: see Volume XIII, No. 348. A minute of November 22 by Mr. W. D. Allen, a Third Secretary in the American Department, read: 'Actually the French Govt. were asked for their observations on the draft Anglo-German agreement some ten days before its signature (see A 5129/22/45—1935) [*ibid.*, No. 315].'

[3] It was announced on November 7 that M. Delbos was to make a tour in December of Warsaw, Prague, Bucharest, and Belgrade: see *The Times*, November 9, 1937, p. 15.

[4] See No. 321.

No. 332

Letter from Sir N. Henderson (Berlin) to Mr. Eden (Received November 22)
[C 8017/7324/18]

BERLIN, *November 18, 1937*

Dear Secretary of State,

The Lord President of the Council arrived safely yesterday and so far so well. He and I lunched en famille with the Neuraths and his son-in-law and daughter and afterwards we went to the Exhibition. A huge crowd, but very sympathetic: I got, and so did Halifax, an impression of great friendliness.

He should leave to-night for Berchtesgaden with Neurath and Kirkpatrick. It was Neurath's own suggestion that I should send a secretary with him. There will be no prior discussion with Neurath as to what Halifax will say to Hitler. We have agreed that it is better so. Nor will Halifax say anything (except about the Exhibition) to the Press until after his return: and then the less said the better, both here and in the Press in England. Presumably Halifax will concoct some sort of *communiqué* with Neurath. But to the Press in general the line we agree upon is roughly that Halifax can say nothing till he has reported to H[is] M[ajesty's] G[overnment] the upshot of his conversation with Hitler.

I saw Göring yesterday. He asked me to come to see him (a) to arrange about the visit to Karinhall which he is arranging for Halifax on Saturday[1]

(b) to urge that nothing should be said to the Press (Ward Price and others had been bombarding him for some statement) and

(c) to ask that in talking to Hitler, Halifax should not say, 'Yes, but General Göring told Henderson something quite different'. He was, said Göring, not the Foreign Minister and foreign policy was settled only by Hitler. He (Göring) talked very freely and frankly but only on the broad lines which Hitler laid down, namely in favour of an understanding with Great Britain.

We also talked about Ribbentrop. Göring began it by asking what we thought of his trip to Rome.[2] I told him that we did not like that sort of thing: we liked an Ambassador to be Ambassador in London—which was a big enough job in itself. How would Germany like it if my Government used me for similar trips to Moscow, for instance. Göring then, after explaining Ribbentrop's position in the Party and his connection with Hitler which he was afraid of losing, made the astounding explanation that his Government hoped that the very fact that it was the German Ambassador in London who signed the Treaty would convince H.M. Government that there was nothing in the Treaty directed against Britain. Moreover, Ribbentrop had taken a leading part in all this anti-Communist business long before he ever went to London.[3] I told Göring that this aspect of the case had never occurred to us and that in any case the anti-Communist complex of Ribbentrop was not at all pleasing to us. It obsessed Ribbentrop's mind to such an extent that he could devote little attention to other business. Communism was not the pre-occupation in England that it had been and still was in Germany. Admittedly the Nazi Government may have rendered great services to Europe by locking the door to Communist infiltration: but it was a mistake to keep harping on Communism in England where it was comparatively innocuous.

I tried to say nothing unfriendly to Ribbentrop, whose good intentions I freely admitted and whom it would be a pity to antagonise. But I was interested by Göring bringing up the matter, for, only two days ago, Neurath, who makes no concealment of his dislike of Ribbentrop, said that he would not be surprised if one day H[is] M[ajesty's] G[overnment] told the German Government that Ribbentrop was no longer a persona grata. I asked whether there was any idea of moving Ribbentrop and Neurath replied, 'Certainly not, at present, or at least not before next May'. I think the German

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[1] See No. 320.

[2] See No. 274, note 3.

[3] In a minute of November 24 Mr. F. K. Roberts, a Second Secretary in the Central Department, remarked: 'General Goring's "explanation" of Herr von Ribbentrop's activities in Rome is so ingenuous that it can hardly be a complete fabrication.'

Government are more likely to move him if we don't talk against him and in any case it would be impolitic to have him come back here and sit at Hitler's elbow filled with resentment against his treatment in London.

I give a dinner to such Nazis as happen to be in Berlin (most of them are scattered all over the place) on Saturday for Halifax, and on Sunday I have the diplomats to lunch to meet him, François-Poncet, etc.

Yours very sincerely,
NEVILE HENDERSON

No. 333

Mr. Eden to Sir R. Clive (Brussels)

No. 667 [*C 8006/5026/4*]

FOREIGN OFFICE, *November 19, 1937*

Sir,

At the conclusion of a conversation which the Prime Minister, Mr. MacDonald and I had with the Belgian Foreign Minister[1] in the Prime Minister's room at the House of Commons yesterday, some reference was made to Anglo-Belgian relations. M. Spaak remarked that he thought these were now most satisfactory. He knew that I had been somewhat critical of the declaration which his Government had accepted from the German Government.[2] It was true that when he saw me at Geneva there was no text in existence. Events had moved quickly. At the same time, His Excellency was satisfied upon the point on which I had been most anxious, namely that there should be no German guarantee to Belgium directed against Britain and France. So far as the Belgian Government's own position was concerned, that was now much easier and their people were in consequence more content with their country's foreign policy. They were entirely free from the previous French Staff arrangements, which though they had not, in fact, amounted to a great deal, created an impression of servitude. His Excellency added that the Germans had at no time during the discussions of their proposed declaration made any suggestion that they desired staff talks or military information of any kind. If they had requested this, it would, of course, have been refused. The Belgian Government were now very ready to continue to give us any information in their power about their defences and their plans generally. If there was any point on which we wished to approach them, they were ready to hear whatever we had to say. M. Spaak was not himself well informed on the question of air problems, but if this was one of the matters on which we wished to speak to the Belgian Government, they would, of course, be glad to consider our views.

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[1] M. Spaak accompanied King Leopold of Belgium on his state visit to England, November 16–19. Although there was considerable speculation in the press as to the possible political significance of the visit, there is nothing in the F.O. archives to suggest that the King had any important conversations with political figures while in England. In despatch No. 2177 to Paris of November 19 Sir E. Phipps was informed that when M. Corbin had asked Mr. Eden if he could tell him what had passed between King Leopold, M. Spaak, and British ministers, he was merely given an account of the conversation reported in the present despatch.

[2] See Nos. 224, 236, 239, and 241.

2. Finally, His Excellency said that some time ago there had been conversations between us on the question of certain supplies of which the Belgian Government wished to be assured in the event of war. It would be a help to them if some progress could be made on this subject.[3]

3. In reply we thanked His Excellency for the assurances which he had given us and assured him that the feelings of the Belgian Government towards His Majesty's Government were warmly reciprocated by us and that we, too, would be very willing to give any help and information that we could on the lines desired by the Belgian Government.

I am, etc.,
ANTHONY EDEN

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[3] See Volume XVIII, No. 413. Mr. Eden wrote to Sir T. Inskip on December 6 referring to the previous correspondence on this subject and asking for information as to what progress had been made.

No. 334

Sir N. Henderson (Berlin) to Mr. Eden (Received November 25)

No. 1038 [*R 7812/188/12*]

BERLIN, *November 20, 1937*

Sir,

I have the honour to inform you that the Czechoslovak Minister called here on November 9th and was received by the Counsellor of His Majesty's Embassy with whom he discussed German-Czech relations in general.

2. M. Mastny said that his Government were convinced that as regards the Teplitz incident,[1] which in their opinion had been grossly exaggerated, they had a good case. There was a reasonable proportion of Germans in the police concerned, the injuries inflicted were trivial, and the Cabinet took a serene and confident view of the matter in the knowledge that they had the support of the Activist Ministers. The repercussions of the Rutha Scandal no doubt were a further source of satisfaction.[2] There was therefore to be no spirit of vindictiveness so far as the Czech Government were concerned.

3. M. Mastny mentioned also that he had on his recent return to Berlin spoken to Herr von Mackensen on the subject of the violent campaign which was being waged in the German Press against his country and pointed out the hopelessness of an improvement in relations so long as the German public were being thus poisoned against his fellow countrymen. He said that Herr von Mackensen was quite conciliatory and although the latter did not and no

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[1] See No. 280, note 4.

[2] See No. 305, note 8. A marginal comment against the word 'satisfaction' read 'to whom?'.

doubt could not commit himself to placing a curb on Dr. Goebbels, he had assured him that Germany had no intention whatever of taking aggressive action against Czechoslovakia.

4. M. Mastny also informed Sir George Ogilvie-Forbes that Dr. Henlein's references to his conversation with Sir Robert Vansittart (see your despatch No. 1268 of October 23rd)[3] and to the sympathetic reception of his address to the Royal Institute of International Affairs, which Henlein had claimed to be representative of public opinion in Great Britain, had caused some disappointment in Czech circles. The Czechoslovak Government would thus find it increasingly difficult to deal with Henlein who was also being openly supported by the Nazi Government largely through the intermediary of officials of Sudeten origin who were political refugees from Czechoslovakia. He said that his Government had definite proof of this which of course they were unable to disclose. He contrasted Henlein's attitude with that of the three German Activist Ministers in the Cabinet and while he admitted that there were matters on which they were not satisfied he pointed to what he considered was the satisfactory modus vivendi between the Czech Government and the Activist Party as an example of how the German problem could be solved.

5. Sir George Ogilvie-Forbes enquired what contribution the Czechoslovak Government were prepared to make to meet the wishes of the *Sudetendeutschen*. M. Mastny replied that what the Sudeten wanted most was a change in officialdom and this the Czech Government was carrying out not all of a sudden but gradually and always with a view to avoiding that the Sudetenland should become a separate political entity, since Czechoslovakia would never consent to grant local autonomy to her people of German race.

6. A few days after M. Mastny's visit, Mr. T. C. Catchpool of the Quaker Relief Organisation, who has just returned from a visit to the Sudeten area, confirmed to Sir George Ogilvie-Forbes M. Mastny's statement with regard to the increase of German-speaking officials, but added that any conciliatory gesture towards the Sudeten population received scanty appreciation because of the Government's co-operation with the Activist Group of Parties who were a minority and whom the official Sudeten Party regarded as traitors to their cause. He added that he was in Teplitz the day after the incident, which, he said, had been much exaggerated. He also stated that in his view the *Sudetendeutsch* if left to themselves and restored to economic prosperity were not at heart anxious for incorporation in National Socialist Germany—a solution which they regarded as a last resource.

7. I had myself a short conversation with the Czechoslovak Minister on the 12th instant. I asked M. Mastny if he had received from his Government an account of the long interview which H.M. Minister had had with President Beneš on November 8th (see Mr. Newton's despatch No. 330 of the 9th instant).[4] The Minister replied that he had heard of it but had so far received no details. I told M. Mastny that the gist of the matter was contained in the

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[3] Not printed: see No. 253.

[4] No. 305.

extract which Mr. Newton had read to Dr. Beneš (see paragraph 4 of his despatch above mentioned) and which I also read to M. Mastny.

8. After some discussion as to the rights and wrongs of the case, I told M. Mastny that, in my personal opinion, the German campaign on behalf of the *Sudetendeutschen* was inspired not only by internal policy of the Czech Government vis-à-vis its citizens of German race, but also by the circumstances of their external policy. In German eyes, Czechoslovakia constituted the hyphen between Paris and Moscow and so long as this was the case I doubted if German agitation would finally subside. M. Mastny replied that Czechoslovakia would never abandon her French alliance. I said that I was not for a moment suggesting that she should, but what I did hope, in the interests of peace in Central Europe, was that if France's fears as regards German aggression against herself could be dispelled she would gradually herself attach less importance to the Moscow connection. The counter-effect of this would be to diminish likewise the dependence of Czechoslovakia on Moscow. To a certain extent M. Mastny appeared to agree with this standpoint, while asserting that it could not be a question of abandonment but rather of not stressing (*approfondir*) the Moscow connection, which would thus become moribund.

9. Be that as it may, my own conviction is that if the status quo in Czechoslovakia, which we must all desire, is to be permanently preserved, it will ultimately be necessary for that country to get out of, however gradually it may be, the position which she at present occupies of being the vital link in an axis, which Germany regards as being directed against herself. The chief argument which I have heard put forward against a move in this direction is that, if Paris and Prague abandoned the Russian entente, Germany would in her turn at once ally herself with the Soviets. Of that there would seem not to be the least danger at present. When the day comes, however, that Russia throws off her present oriental despotism and reverts to her old nationalistic tendencies, I can well believe that the danger will be a real one. Nevertheless, I should have thought that the best means to counter it would be a prior state of good relations between the four Western Powers.[5]

10. I am sending a copy of this despatch to His Majesty's Representative at Prague.

I have, etc.,
NEVILE HENDERSON

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[5] A somewhat faint marginal comment against this sentence apparently read: 'Yes, A.E.' But Foreign Office minutes in general showed concern at the terms in which Sir N. Henderson had spoken to M. Mastny. Mr. Bramwell, a Second Secretary in the Southern Department, commented (November 26) that 'Sir N. Henderson seems to have made himself the spokesman of German policy toward Czechoslovakia' and that in advising Dr. Beneš to abandon his 'European conception of policy' Sir N. Henderson was giving 'precisely the sort of counsel we have always been at great pains to avoid giving in Prague'. Sir O. Sargent minuted on December 6: 'He is an optimist who thinks that Germany will abandon her plans of expansion in Central Europe via Czechoslovakia if only the latter will in advance abandon her alliance with Russia. Sir N. Henderson would have done better to have avoided this subject with M. Mastny'. Mr. Eden wrote against this last sentence: 'I agree. A.E. Dec. 10.'

In a minute of December 9 addressed to Mr. Eden Sir R. Vansittart wrote: 'Again and again Sir N. Henderson exceeds his functions and misunderstands the business of an Ambassador. He should never have preached the German doctrine to M. Mastny. It is not his job—unless so instructed by H.M.G.—and the F.O. are careful to avoid these pitfalls. Sir N. Henderson has by now created for himself such an entirely Nazi reputation everywhere that much of what he says is discounted. Otherwise we might get complaints out of things like this . . .' A note by Mr. Harvey of December 10 on this minute said that Mr. Eden 'would like a reference made to the Ambassador's attitude in this matter in the letter which Sir O. Sargent is drafting', but in the event no letter was sent and contrary to expectations Mr. Eden did not raise the issue in his conversation with Sir N. Henderson on December 23.

No. 335

Sir E. Phipps (Paris) to Mr. Eden (Received November 22)

No. 716 Saving: Telegraphic [*C 8039/3785/17*]

PARIS, *November 21, 1937*

I hear from an excellent source that M. Chautemps is thinking seriously of proposing that a meeting should take place in London or Paris between himself and M. Delbos on the one hand and the Prime Minister and yourself on the other, before the departure of M. Delbos on his foreign tour on December 2nd.[1]

Personally I feel that such a meeting could only do good.

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[1] See No. 331, note 3.

No. 336

Account[1] by Lord Halifax of his visit to Germany, November 17–21, 1937

[*C 8161/270/18*]

Secret

November 17

Arrived at Berlin to be met by Henderson, and a representative of the [German] Foreign Office, and the usual crowd of photographers and general sightseers. After breakfast at the Embassy, *a bath and change and then* some talk with Henderson. *I went through my rough notes of the 'line' with him and he had no very*

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[1] This account, which Lord Halifax evidently compiled during the visit as he went along, was completed by the time of his departure from Berlin on November 21. According to No. 338 below he brought three copies of it with him to London; two other copies were said to have been forwarded by Sir N. Henderson in his despatch No. 1041 of November 23 (No. 343 below). The copy preserved in the Foreign Office archives has been extensively revised by the deletion of passages from the first two sections dealing with November 17 and 18, but it is not possible to say whether these revisions were carried out in the Foreign Office or before the document left Berlin. The revised version was printed for circulation. The deleted passages are indicated in italics in the version printed here.

great comments to make. The important thing in his view was to make it plain that whether we were able to accept it or not, we did appreciate the German point of view—and were honestly out to make friends. He told me that Göring was *very*[2] keen indeed on the establishment of complete understanding between us: as was Hitler. He warmly approved the note of asking the latter what should be the next step—and of not allowing the iron, if it could be heated, to grow cool.

Luncheon with the Von Neuraths—only a family party—the two Von N's, their daughter and her husband Von Mackensen, Henderson and myself. *Nice people and most friendly, with two little brown Dachshunds just like Jemma, over which we made much common ground.* No political talk beyond discussing travel arrangements to Berchtesgaden tomorrow, and a good deal of chaff about the English love of the week-end leading them to clear up on Saturdays and send off telegrams which disturbed week-ends elsewhere. Some talk about the Führer; of his qualities, artistic, romantic, sensitive—of the difficulty of working with a Führer who was so often inaccessible—but all very cheery and lighthearted. I quickly learnt obliquely from Von N. that he had no great love or regard for Von Ribbentrop. Some talk about Parliamentary questions in the House of Commons and the harm they did, and I had no difficulty in assuring them that from that point of view I had no doubt any British Foreign Secretary would welcome such immunity from the House of Commons as he, Von Neurath, enjoyed from the Reichstag. He told me that they have no Cabinet system like we know it, each Departmental chief acting directly under the orders of the Führer. *I have as yet seen nothing of Berlin—beyond people in the streets—and one seems to be conscious of a great number and diversity of uniforms about. I am just off to the Hunting Exhibition.*

After lunch I spent a couple of hours at the Exhibition—we were met by Göring's No. 2, and several others on the directing staff, all in uniform. Crowds of people—they said 40,000—were in the place, which is itself enormous—galleries, rooms, corridors—devoted to national sections, historical, natural science, painting, etc. etc. It is all arranged with considerable artistic sense, and effect, and is really a monument of showmanship, enthusiasm and thoroughness. I seemed to be an object of considerable public interest—and it was exactly like—less the cheering!—walking about through crowds of one's supporters at an election. I was interested to see the very curt and peremptory fashion in which our 'bodyguard' of Sport officials of all sorts cleared our way—anybody who did not clear out being quickly pushed to one side—some gently, some more roughly, but all very firmly and without a word of protest. An English crowd would never have stood it for a moment! The principal showman (Göring's No. 2) said to Henderson: 'It is good for Lord Halifax to see the Exhibition, and it's a very good thing for all these people to see Lord Halifax'! *I was entrapped in the middle to broadcast a few words of appreciation in English, which it appeared discourteous to refuse! But I could think of nothing to say except how wonderful it was. I expect that is about what they wanted! I have also, at Ward Price's suggestion, prepared a brief statement for our Press (to be*

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[2] Underlined in the original.

telegraphed as he says back to Germany!) praising the Exhibition and its authors! Not the least interesting thing to me was the fact of the large numbers of people in the Exhibition. It was indeed a public holiday. 'Repentance Day' or some Church day of the kind. But I find it hard to believe that they were all interested in Sport as such—and it looked to me like a good example of mass-suggestion and sheep-like unanimity. I've just been having a word with Ward Price, who tells me he had been having tea with a not uninfluential German industrialist, who was speaking very freely about the economic mess the régime had got Germany into—and hoping that we should not so act as to allow Hitler to get away with new stimulants to his prestige. I can't help thinking, though, that anticipations about imminent default of dictators' control are as likely to be falsified by events as most other predictions of economists. They leave too much out of the reckoning.

A private dinner of Ogilvie-Forbes and wife, Kirkpatrick and wife, and a good deal of interesting talk. The former about Spain, where he thinks Franco is now clearly going to win. He told me that one of the funnier sidelights had been that the people who had defeated the Italians at Guadalajara had been the German contingent of the International Column—at which the Germans at home had chuckled a lot! Kirkpatrick had a lot to say about the Nazi attitude to the Churches—which I think about amounted to this—the Churches are regarded as forces dividing National solidarity, and German history is prayed in aid of this view. The plan is not so much to attack openly—though there is a certain amount of persecution of individuals and interference with education. But no action is taken against religious observance and Roman Catholic processions are not interfered with. The method is rather to deflect the next generation away from it by getting them to sit loose to religious practice—through time tables and Labour Camps—weaken religious education—until Christianity, as taught by the Churches, will find itself undermined and left high and dry by the new Gospel constantly inculcated of Blood and Race. Some talk about June 30, 1934. He had known Röehm pretty well, and thought it had been a 'plot' put across Hitler by the Army—to down the S.A., and the occasion was used to 'wipe up' others. *I forgot to record last night that* Kirkpatrick told me of a conversation he had had with a Cabinet Minister, who said that he always had *The Times*, in order to keep himself informed of what was happening with the Church question! Otherwise he heard and read nothing about it!

November 18

Henderson told me this morning, as an example of how the German mind works, that they thought the fact of Ribbentrop signing the anti-Communist pact at Rome would be clear indication to us that it was not aimed at us! Another hour and a half at the Hunting Exhibition this morning. I must say it is a wonderful effort, down to a gramophone reproducing the roar of a stag in the Imitation Forest and wild animal section! A luncheon party of the Staff *at which I sat next Mrs. Steel, née Clive, a friend of Dorothy Meynell's and Mrs. Fyffe of Nunnington—seemed a nice woman and clever.* This being finished, Henderson with Kirkpatrick took me off by car to sightsee. We began by the Tomb of the Dead—or whatever it is called—corresponding to our Unknown Warrior. I was interested to see a large gilt cross, as the central feature of the Wall above the Monument. Then we motored out to Döberitz to see the new barracks and training grounds. Large areas are closed to the public and barrack building going on with great speed and on a huge scale. Kirkpatrick says this is the same all over Germany. In his view it does not necessarily mean the gloomy conclusion of planning for war—but (i) self-defence and self-respect; (ii) so powerful that nobody will tread on their toes and will make arrangements rather than fight; and (iii) if war does come, give good account of themselves. *Back by the Air Academy, a cross between Cranwell and the Staff College—Sans Souci, where we got out and walked round the house—a long one storey building, very French: left, I gathered, much as it was in Frederick the Great's time, with terraced gardens below. A peep at the Palace at Potsdam on the way home—looked pretty frightful. Not now used, except as a show place.* The effect on my mind so far of barracks and regimented people is not a pleasant one. And so long as the Army and S.S. (200,000) and Police are well paid, it is pretty difficult to see how the régime should be upset. *I go off tonight after dinner by train with Von Neurath and Kirkpatrick to Berchtesgaden!*

HERR HITLER[3]

November 19

We reached Berchtesgaden about 9.30 and were driven straight up to Hitler's house. He met us on the steps and we went straight upstairs and began to talk: Hitler, von Neurath, Schmidt (the interpreter) and myself. He signalled me to begin, which I did by thanking him for giving me this opportunity of discussion, which I hoped we might make perfectly frank, and which I hoped might be the means of creating better understanding between our two countries—on such understanding it seemed to me that the future not only of our two nations but of civilisation might well depend.

He then invited me to state what were the principal topics that I wished to discuss. I said that I was naturally largely in his hands, but that the feeling of the Prime Minister and Foreign Secretary and His Majesty's Government was that it would be within the power of our two countries, if we could once come to a pretty complete appreciation of each other's position and if we were both prepared to work together for the cause of peace, to make a big contribution to it. Although there was much in the Nazi system that offended British opinion (treatment of the Church; to perhaps a less extent, the treatment of Jews; treatment of Trade Unions), I was not blind to what he had done for Germany and to the achievement from his point of view of keeping Communism out of his country and, as he would feel, of blocking its passage West. And taking England as a whole, there was a much greater degree of understanding of all his work on that side than there had been some time ago. If and when we could achieve any success in this development of understanding, we should both no doubt feel it right to associate with any conversations we might have those with whom we had special contacts: Italy and France—and if we four could ever agree between ourselves we should have laid a very solid foundation for peace and for anything else we might wish to build upon it. He did not challenge this, but said that formal agreement between the four Powers might not be very difficult to achieve, but would not be worth much unless it took account of the realities even if they were unpleasant. Germany had had to recognise such a reality in the shape of Poland. We all had to recognise such a reality in acknowledging Germany to be a Great Power. We had to get away from the Versailles mentality and recognise that the world could never remain 'in statu quo'. To this I replied that nobody wished to treat Germany as anything but a Great Power—and that nobody in their senses supposed the world could stay as it was for ever. The whole point was, how changes were brought about? This led him to say that there were two and only two alternatives:

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[3] This and subsequent section headings were inserted by the Foreign Office.

(1) The free play of forces that meant war; and
(2) Settlement by reason.

The world had had experience of the first. Was it able to prefer the second? We had been unhappily able to compare the two ways and therefore it was imperative to find the way of reasonable solution.

From this he launched off into a subdued tirade about the difficulty of doing business with democratic countries. All his offers, disarmament and political, had been wrecked on this rock. The party system of democracy was complicating the colonial question (Conservative Party conference). The only thing that had not been so wrecked was the Naval Treaty, to which he was going to stick—so long as the Russians did not force him to exercise his liberty of revision.

To the 'democratic' part of this argument I replied by saying that if we were to wait for any advance until Great Britain ceased to maintain a democratic system, then clearly I had wasted my time coming to Berchtesgaden and he had wasted his receiving me. For I hoped Great Britain would never be the least likely to change her method of Government. But with all respect to him, the point was not very relevant. His disarmament and other offers had not failed on account of party, democracy or the like, but because, for good reasons or bad, other nations did not feel satisfied as to the measures of security that they in fact afforded. For reasons that seemed to him adequate, he had ignored treaty obligations. I was not concerned to argue whether the reasons were good or bad, but it was not surprising that people remembered it when he offered new undertakings. He explained that he had France principally in mind when he criticised democracy but repeated that, even with us, the Party conference had 'bound' the Government, that it was a freely held opinion in England that Germany must in no circumstances be permitted to have colonies, and that I should have observed the attempt made by hostile quarters in England to spike my visit to Berlin. To this I replied that I thought the hostile quarters might not only exist in England.

He then, I think, asked me what other problems there were between us besides colonies. I said that I thought English opinion would be glad to know his attitude to the League of Nations and to Disarmament. As regards the League, he said that he could not understand why we should attach such importance to Germany being in when we did not mind the United States being outside it and that whether or not Germany would come back was not a question to which a reply could now be given. Certainly she would not join the League, constituted and functioning as at present. Disarmament was much more complicated than it was a few years ago. Now we were making up arrears—so was Germany—and experience suggested that the respect paid to nations varied with the weight of their armaments. And now there was Russia . . .[4] He had proposed the abolition of bombing, but 'colonial' countries had insisted on keeping it for police purposes. 'Who is going to tackle this question and how he is going to tackle it, I don't know'. Was there anything else? I said that there were no doubt other questions arising out of the Versailles settlement which seemed to us capable of causing trouble if they were unwisely handled, e.g. Danzig, Austria, Czechoslovakia. On all these matters we were not necessarily concerned to stand for the status quo as today, but we were concerned to avoid such treatment of them as would be likely to cause trouble. If reasonable settlements could be reached with the free assent and goodwill of those primarily concerned we certainly had no desire to block. He said nothing about Danzig, but said, as to Austria, that they had their agreements which were being respected, and that he hoped 'reasonable elements' in Czechoslovakia would make it possible for the *Sudetendeutschen* to 'enjoy a status which would safeguard their position'.

The colonial question came up in two or three forms in the course of our discussion. He said—but did not strongly press—that we had violated the Congo treaties by carrying the war into colonial territories—but agreed that it was not profitable to discuss charges of past treaty-breaches!

If the question could be settled between us, good! if not, he must note and regret. But he hoped that France and Great Britain would examine the question together and arrive at a solution which they could propose. He added

(1) that if there were countries which for strategic reasons we might not wish to give up, it was up to us to offer something in substitution; and (rather humorously)
(2) that he did not want a colony
  (a) at 'strategic points which would drag him into trouble'; nor
  (b) in the Sahara; nor
  (c) in the Mediterranean, 'between two Empires'; nor
  (d) in the Far East, which was also too dangerous.

To all this I told him—and repeated it more than once—that it was out of the question for this or any other Government to touch the colonial question except in the setting of a general settlement which would give our people a prospect of real understanding and relief of the present tension. But we were perfectly willing to discuss this and any other question and the point therefore arose what might be the next most useful step that we might contemplate. It would be unfortunate if, like a previous conversation, this talk could not be followed up and lead on to some such general effort to reach agreement as I had begun by suggesting. And hesitation to do something on these lines would cause a bad impression in England. To this he replied that talks or conferences always needed careful preparation. He did not believe in a conference every three months that achieved nothing—and he therefore thought it wiser that we should apply ourselves to preparations through the diplomatic channels. He hoped, too, that we might get away from the atmosphere of 'imminent catastrophe'. The situation at present was not dangerous. If you believed the press, you could of course expect to wake up one day to see German armed forces in Vienna or Prague, just as the press had done dangerous mischief by asserting without a word of truth that 20,000 Germans were in Morocco. The real danger was that of an unsuccessful conference. If he sent von Neurath forthwith to London, every German would think that he had gone to discuss the colonial claim and if he failed to settle it then and there, the situation would be worse instead of better. Let us be content to go slowly. It was the surest way. No one who had seen what war meant, as he had, could be so stupid as to want another, when we had all learnt that in war even the victors lost. There was only one nation to-day that might think of war—Russia!

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[4] Punctuation as in the original.

I replied that I was quite sure the Prime Minister and Foreign Secretary would not quarrel with his counsels of prudence as to advancing slowly, provided that we could feel that we were, in fact, making an advance. Indeed, the Prime Minister had said to me, before I left London, that he would be well content to see things move slowly and that they could not be expected to do otherwise. The great thing was that we should both work for the same final purpose of peaceful solution of the difficult questions with which we were mutually concerned.

It is difficult to give a concise or consecutive account of a conversation lasting over three hours and which followed no very orderly course. Hitler was on the whole very quiet and restrained, except now and again when he got excited: over Russia or the press. Communism did not figure as big as I had expected. Very much alive, in speech—eyes moving about all the time, and points being reinforced by sharp gestures of the hands. I can quite see why he is a popular speaker. The play of emotion—sardonic humour, scorn, something almost wistful—is very rapid. But he struck me as very sincere, and as believing everything he said. As to the political value of the talk, I am not disposed to rate this very high. I should think it was all to the good making contact—but I definitely got the impression that apart from colonies there was little or nothing he wanted from us and that he felt time to be on his side as regards European problems. The result was that while I think he wants to be on friendly terms with us, he is not going to be in any hurry to consider the question of League of Nations return—regards disarmament as pretty hopeless, and, in short, feels himself to be in a strong position and is not going to run after us. He did not give me the impression of being at all likely to want to go to war with us over colonies; but no doubt if he cannot be met on this issue, good relations, under which I suppose we might exert a good deal of influence, and without which the present strain continues, would remain impossible.

Although perfectly friendly and courteous, he showed a certain reserve, which may have been due partly to tiredness, but was, I think, mainly attributable to a feeling that we had a different sense of values and were speaking a different language.

It was not only the difference of outlook between a totalitarian and a democratic State. He gave the impression of feeling that, whilst he had attained power only after a hard struggle with present-day realities, the British Government was still living comfortably in a world of its own making, a make-believe land of strange, if respectable, illusions. It had lost touch with realities and clung to shibboleths—'collective security', 'general settlement', 'disarmament', 'non-aggression pacts'—which offered no practical prospect of a solution of Europe's difficulties.

He cannot in particular understand the importance attached to Germany's return to the League. He regards the whole conception of equal States as unreal, based on no foundation of fact: and consequently does not believe that discussions between large numbers of nations, with varying interests and of quite unequal value, can lead anywhere. Hence his preference for dealing with particular problems in isolation.

With this goes the distrust of democratic methods, to him inefficient, blundering and unsuited to the hard world, constantly changing, in which we have to live. The essential vice of democracy in his eyes would be the extent to which it paralysed the capacity to face facts by its love of talk: and by the distorted view of facts presented to it by a licentious press.

Secondly the League system means the perpetuation of the status quo. It is useless to evade the issue by saying that Article 19 of the Covenant provides for peaceful revision. Such an argument is another symptom of self-illusion. It is impossible to imagine peaceful revision with the consent of all, since each member of the League will require the contribution to be made by others.

All this is naturally disturbing to us and makes approach difficult. We are not talking the same language. It is a fact, perhaps an inconvenient fact, that Germany is now a great and powerful nation, pulsating with energy and determined to realise what she believes to be her legitimate aspirations. And it means that it will be difficult to make progress unless we are prepared to make concrete proposals in the one matter which directly arises between us—viz. the colonial issue. For he will no doubt persist in saying that he has made his arrangements with his neighbours, which concern them and him more than they do us; that by them he abides; and that as to the League etc., he is not prepared to change a method which he considers 'realist' and effective for one which rests so largely on a basis of make-believe.

Whether or not it is possible—and, if possible, desirable—to try out the line of practical proposals about colonies, is a question raising many other considerations. But I doubt whether there is any other practical way of effecting a change in Anglo-German relations.

An explorer who has overcome countless perils in a savage land returns home to find his family unaware of his achievements and still immersed in local politics and problems. Their meeting is friendly, but he feels that they are living in a different world and do not speak his language. The analogy is not perfect, but it illustrates Hitler's attitude towards a meeting with a representative of the British Government.

It seems to boil down to whether or not we should feel it possible or desirable to explore a colonial settlement *on broad lines*,[2] with the idea, if such seemed feasible, of using it as a lever upon which to pursue a policy of real reassurance in Europe: in other words, instead of trying to do a bargain on the line of getting him to drop colonies as a return for a free hand in Europe, to try for the more difficult but possibly sounder bargain of a colonial settlement at the price of being a good European.

November 19 (continued)

We got to Munich about six, and I went off with Kirkpatrick and Schmidt to see the Brown House, which is the Nazi Headquarters. There we met some Brownshirt official who seemed important and we were first shown the original headquarters with collections of flags in the entrance hall which, so far as I discovered, had been rendered honourable in the early days by the contests of particular Nazi groups with Communists.

Upstairs there was a kind of Assembly Room designed for the Senate of the Nazi Party which is to be constituted, where they will discuss party policy. It is curious this perpetuation of the party organisation on parallel lines to the Government, and apparently it extends over all Departments.

I was then taken to see the new Brown House, which consists of two great blocks exactly alike on each side of a big street rather like the two blocks of the Secretariat at New Delhi. On the way we were shown the two Temples of Memorial, of which I forget the right name, but which are the permanent resting place of the victims in the first Nazi putsch on November 9th, 1923. There are eight lead coffins resting on a lower level and surrounded by a wide stone terrace, the terrace being four sided and square, and finished on each side with tall open pillars carrying a concave roof covering only the terrace, so that the coffins are directly under the open sky. Wreaths are permanently placed against the coffins, carrying I believe the names of the different homelands of 'separated' Germans. Black Storm Troop sentries are perpetually on duty, and no wheeled traffic is allowed past the place. It is a remarkable piece of very subtle psychological appeal.

We then went to see the new Brown House, one of the blocks being offices and the other being a kind of super Party-Headquarters-Stafford House-Reception building—all in modern German architecture, very spacious, two good staircases, and immense corridors, banqueting hall with quite good plaster bust reliefs of Hitler Youth, Agriculture, Industry, Storm Troops, etc.—reception rooms, conference rooms, etc. Hitler's own room, which I don't fancy he uses much, is decorated with a death mask of Frederick the Great, a bronze head of Mussolini, and one or two other prints and pictures of Frederick the Great, who is evidently a hero. The Brownshirt official took great pains to impress me with the splendour of the building, partly because he no doubt believed it, but also I think to practise his English, which stood in need of it. He explained to me that his wife was very pro-English, being a poetess and a great admirer of Shakespeare!

Slightly jaded with the Brown House, we drove off to see the place where the putsch had actually taken place and where the shooting had been, eventually getting back to the Hotel where we were able to repose ourselves reading the *Times* until dinner, at which Von Neurath rejoined us. It was general conversation of no particular interest, except that I was interested by a touch in some chat about the guffs [*sic*] that interpreters had been heard to make at international conferences. Schmidt had been telling of such a one, and someone said to him: 'Did you laugh when you heard that said?', to which his reply was that those were not days when any German could venture to laugh in the presence of any of the Allied representatives, said with rather a bitter smile. I must say I sometimes feel surprised that they are not more bitter than they are, and I think it must surely go some way to explain why they are determined, cost them what it may, to place themselves in a position in which other people have to treat them with respect, and I cannot help thinking that this explains in part their willingness to surrender individual liberty for the sake of power. As the writer of the *House That Hitler Built* says somewhere: 'A German said to him, *à propos* of this: "I am not interested when I walk down the street that people should say 'There goes Johann Schmidt', but I do want them to say "There goes a German".'

After dinner, at which we consumed much good Munich beer, we went off to the train and got into our saloons, which I confess I was glad enough to do. Von Neurath luckily disappeared into his, and Kirkpatrick and I discussed our impressions for an hour before going to bed.

GENERAL GÖRING

November 20

We got back to Berlin for breakfast, after which I wrote some letters and read papers till we went off at 11 o'clock in General Göring's car to his house in the forest for luncheon. We travelled on one of the new 'Autobahn' roads—the high road to Stettin—which fully bore out all that Top Wolmer[5] had been writing about them, but on which I was struck with the small amount of traffic. Göring met me on the way, dressed in brown breeches and boots all in one, with green leather jerkin and fur-collared short coat on top—the green jerkin surrounded with a green leather belt, to which was hung a dagger in a red leather sheath—altogether a very picturesque and arresting figure, completed by green hat and large chamois tuft! He took us to see the enclosure where he had bison and elk and in which he takes intense interest. We then drove about the forest in a kind of shooting phaeton with two Hanoverian chestnut horses, and were shown a good deal of the planting and thinning operations which he supervises personally. Eventually we arrived at his house—a large house, built between two lakes in pine woods, stone with deep thatched roof, and latticed dormer windows out of it. It occupies three sides of a courtyard, with a colonnade across the end, and flags on flagstaffs at different points—swastika, Hunting flag, and for my benefit at the door, the Union Jack. The house inside is like nothing I have ever seen. An immense series of rooms, to which you get through a long entrance gallery, all filled with art treasures of different sorts, pictures, tapestries, sculptures, carvings—which I suppose he has taken from different museums. The garden door frame was a carved Assumption of Our Lady from somewhere in Bavaria. The Great Hall was a huge room, rather sparsely furnished—the whole height of the house—with the whole end wall, a glass window looking on to the Lake—which like Hitler's can be lowered to be completely open. Fireplace and wood beams supporting the roof all to match in size! A very imposing and rather pleasing room. As Schmidt, the interpreter, said to me, 'General Göring seems quite in harmony with his room'! We presently went into luncheon, where we were waited on by footmen dressed in eighteenth century liveries—green and white plush—breeches—gaiter-spats—reversed cuffs, and caught up tails of the coats! The walls of the dining room decorated with parchment, which looked rather like mother of pearl and very well! I sat next Von Neurath, who told me that Hitler did not think too badly of our system of Government! He recognised that we could work it and should not be likely to change it. But that if we had seen the confusion and hopeless incapacity of the Weimar Republic democracy, we shouldn't be surprised at Nazi-ism. He had served under the Kaiser but had been quite convinced that the Nazi system was the only thing to save Germany. The whole Government machine had been paralysed.

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[5] Lord Wolmer, P.C., M.P.

After luncheon, which included some of the rawest beef I have ever seen, Göring took me off with Schmidt to talk. I learnt subsequently that he had had the gist of my conversation with Hitler through Schmidt and that what he (G.) said, carried Hitler's approval.[6] He started off by asking me whether I had been satisfied with my talk yesterday to Hitler. I said that we had discussed many things frankly, but that I had been rather disappointed to feel that our respective backgrounds of thought were so different as to make close approach to particular questions a bit difficult. I repeated to him what I had said to Hitler, namely that we did not wish and had never wished to stand strictly on the present state of the world—but that we were concerned to see reasonable settlements reached of these general questions which would not involve serious consequences. That was why we wanted to discuss all these things fully with them. Göring said more than once that he liked the idea of the four Western Powers getting together, but that he did not feel sanguine that even their combined influence would suffice to make a reasonable settlement in all questions certain. They would prefer to make their own agreements direct with those concerned and they thought this the better way. I said that we had, of course no desire to block agreements that they might reach in any quarter, but that we were concerned that none of these questions should be so handled as to entrain dangerous consequences of which we could not foresee the end. As regards colonies, he said that that seemed to him the only direct issue between us and he was optimistic enough to believe that, recognising that the only colonies we had were Togoland and Cameroons, and Tanganyika, and recognising our special difficulties about the latter, it could be solved without too much difficulty. I told him that it was no part of my business to negotiate and he would not expect me to say more than that it was a very difficult question, and one which no British Government could ever treat in isolation. Finally, he summed up the position by saying that he was very glad I had come; that he thought the visit had done good; that we must now pursue matters by diplomatic channels, but that he hoped those exchanges would so proceed as to permit more close conversations between British and German representatives; and that he was optimistic about our reaching complete understanding.

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[6] *Note in original*: This account may need revision in the light of the interpreter's record not yet received.

As he had said, the only direct issue between us was the Colonial—but even with that on the field, he could conceive of no circumstances in which Germany and England would ever be in conflict again. It would be a disaster if the two finest races of the world were ever to be so mad as to fight. He welcomed the existence of the British Empire, which he thought a great and stabilising influence for world peace—and thought we ought on our side to have no difficulty in recognising that Germany was entitled to have special spheres of influence, in quarters that were vital to her interest and wellbeing. To this I replied that I too hoped we might succeed in the establishment of close and friendly relations and that as regards the particular questions he might have in mind when he spoke of spheres of influence, we had no desire to intrude into matters that were not primarily our concern. But I repeated that we *were*[2] concerned that nothing should be done in any quarter that might involve dangerous reactions for us all. On this he said that I need not think 'one drop of German blood' would ever be shed unless it were forced upon them.

I was immensely entertained at meeting the man himself. One remembered all the time that he had been concerned with the 'clean-up' in Berlin on June 30th, 1934, and wondered how many people he had been, for good cause or bad, responsible for having killed. But his personality, with this reserve, was frankly attractive. Like a great schoolboy, full of life and pride in all he was doing, showing off his forests and animals, and then talking high politics out of the setting of green jerkin and red dagger. Rather like Eric Geddes in appearance, and producing on me an impression of a composite personality—film star, great landowner interested in his estate, Prime Minister, party-manager, head gamekeeper at Chatsworth.

The conversation was on the whole not discouraging. He is evidently very keen on Anglo-German friendship; would not, I should guess, be too difficult about Colonies; but does definitely look forward to readjustments in Central Europe, so brought about as not to give an excuse—or probably opportunity—for any outside Power to intervene.

FIELD-MARSHAL VON BLOMBERG

In the evening, Henderson had a dinner party which included Von Blomberg, Schacht, Bohle, Frick, the South African Minister and a lot more. After dinner I had a long talk to Blomberg. He was of course very friendly, and entirely frank. The burden of his talk was that the Colonial question was really secondary. The vital questions for Germany, with her expanding population and set as she was in the middle of Europe, were those which concerned her Central and Eastern European position. If everybody tried to sit on every safety valve, there was bound some time to be an explosion. What had France to fear? Germany wanted nothing from her or from her Overseas Empire—apart from the Colonial question, which, as he had said, was secondary. But just as France had her position of influence and power in Western Europe and the Mediterranean, so she must recognise that Germany was entitled to a similar position in Central Europe. They knew Czechoslovakia, he could assure me most solemnly, to be an outpost of Russia, and nobody—not even the French—liked them!

DR. SCHACHT

Schacht was entertaining—and (on the strength of leaving his economic post next week!) spoke very frankly. It was important that the door, now reopened, should not again be allowed to close. Might it be wiser if we were to have conversations to call them 'economic'—and discuss what we liked under this cloak, which would not excite people so much as if they were told that the conversations were definitely political. 'If you want to discuss A, it is sometimes not a bad plan to say that you will discuss B'. He concerned himself mostly with Colonies. They did not expect or much want to get back Oceanic Islands, Nauru, Caroline Islands, etc. or South-West Africa, or probably Samoa ('it was a long way off'). And they recognised our special difficulty about Tanganyika. The West Coast of Africa therefore remained. Togoland and Cameroons, he thought, could be returned in Sovereignty, and a chunk made up from Belgian Congo and Angola under something like mandate. I asked him what reason he had to think that either Portugal or Belgium would like such a plan? to which he said that as part of world appeasement they might be persuaded of its wisdom, and that we might perhaps consider compensating Portugal in part on the East Coast, north of Lorenzo Marques, from Tanganyika. Or was some international Chartered Company idea possible for the Western chunk? easier for Portugal; U.S.A. might join in—and Germans might have 51% of the Interest. Hitler would be willing to give guarantees about Black Armies, etc., and this sort of idea might be easier from point of view of regard for Native Interests. We had missed the bus—which had Hitler's personal authorisation—a year ago, when he had had his discussions with Blum; and Hitler had felt very much our failure to appreciate his generous gesture in the matter of the Naval Agreement. He did not hesitate to say that he (Schacht) had been against his giving us that for nothing, as was Von Neurath. But Hitler had insisted that he wished to convince us of his good faith and desire to be friends. Do not let us forget (and Von Blomberg made the same point) that Hitler was greatly governed by his heart, and that trust bred trust.

I had a word with the South African Minister and told him that I had read his recent conversation with the Secretary of State in Brussels. He appeared principally concerned to know whether South-West Africa had been mentioned, and seemed relieved when I told him that it had not.

Sunday, November 21

Went to Church and worked after breakfast till I saw the Press representatives at 12.30. To them I made an anodyne statement and congratulated them on their reticence, which I exhorted them to maintain. M. François-Poncet, French Ambassador, came in before luncheon in the hope that I would tell him of my conversations with Hitler. I explained to him politely, however, that I knew that the Foreign Secretary would be sending M. Delbos a full account and that he would appreciate the necessity of my first reporting to my own Government. He was not, I am afraid, very pleased with this, and I anticipate we shall get reactions in London—but I thought it would be fatal if leakage occurred at this stage through the French Press.

In the afternoon, after a long diplomatic luncheon party, Henderson and I went for a short walk with the dogs and I returned to meet a 'personal representative' of Chiang Kai Shek. He had not a great deal to say except that he thought the time was not unpropitious for putting pressure on Japan, as now the military were in full control they would have to bear full responsibility for the consequences of the policy pursued.

DR. GOEBBELS

Then Goebbels, who came to tea. I had expected to dislike him intensely—but didn't. I supose it must be some moral defect in me, but the fact remains. He was very friendly, and said that the door having been opened, must not be closed. We had a good deal of talk about the Press, as to which I reminded him of the difference in conditions between England and Germany. He made two main points:

(i) If we or they had occasion to complain of Press correspondents, let us try and handle the matter privately. He would undertake to withdraw any 'persona ingrata' to us, and hoped that our newspapers would do the same.

(ii) He thought nothing would do more for better relations than if our Press could be induced to stop attacking Hitler personally. He was more than Leader, he was the national symbol of Germany—and as Head of the State every German resented bitterly attacks upon him.

To this I made the obvious reply—but I assured him I fully appreciated the importance of what he had said, and welcomed his desire to avoid the Press in either country making mischief. I said that I should draw the attention of the

Prime Minister and Foreign Secretary to the matter and had no doubt that His Majesty's Government would do everything in their power to influence our Press to avoid unnecessary offence. At the same time, I hoped he would remember that the irresponsible London Press had a limited influence—and that it was probably true that the Provincial papers, which were generally reasonable in criticisms they made, exerted at least as much if not more influence than their London competitors. His attitude was friendly throughout, and if I had not started with a very powerful prejudice against him, I should have felt less disturbed at not finding this prejudice maintained in direct contact! He had been to see Hitler yesterday and told Henderson that Hitler had been pleased with our conversation.

ANNEX TO NO. 336

Note by Mr. Kirkpatrick for Lord Halifax of further conversations during Lord Halifax's visit to Germany

BERLIN, *November 21, 1937*

FIELD MARSHAL VON BLOMBERG

Blomberg said to me that he was afraid that with his imperfect English he had not been able to make himself understood and he wished me to bring his views to your notice. The following are the points he made.

1. Your visit had been most useful and would serve to set the ball rolling in Germany as well as in England.

2. It must be followed up.

3. Anglo-German understanding was the basis of peace. Germany had no desire to separate England and France; and he believed we should not try to undermine German relations with Italy. But France and Italy played only a secondary role. The essential and all-important step for European peace was to put Anglo-German relations on a proper footing.

4. The Chancellor still desired good relations with England. His present resentment was that of a scorned lover. He had pinned great hopes on the conversations with Sir J. Simon and Mr. Eden; their ultimate failure had been more than a disappointment.

5. Germany had an expanding population and her expansion was inevitable. This was a fact. It would remain a fact even if Hitler died or disappeared. England could still sit on all the safety valves, but an explosion would eventually occur and no-one in Germany could prevent it. In the past English policy had been realistic and England had always accepted the inevitable, striving only to shape destiny to her advantage. Did she still possess the same political genius or had she lost that quality?

6. The man in the street in Germany passionately desired good relations with England. This was a favourable factor which should not be overlooked.

7. The Germans had lost interest in quarrelling with France and had no aggressive intentions in the West. France had a fertile country, no surplus

population, and a large colonial empire. Her status was assured and she had scope enough for her energy. But the Germans could not understand why France so bitterly opposed the satisfaction of Germany's vital needs. A perpetuation of this policy must lead to exasperation here.

DR. FRANK[7]

Dr. Frank, who joined in this conversation, repeated that the visit had been useful and expressed his delight that the Chancellor should have met a British representative of Lord Halifax's position and personality. The Chancellor was particularly susceptible to personal influences and he knew that Lord Halifax had made an excellent personal impression.

He said that the Nazi party wanted good relations with England. I demurred and said that our information showed that many Nazis were now definitely anti-English. He retorted that, if this was so, it was because certain English Ministers had said uncivil things about the Party and even about the Chancellor. These remarks were, of course, more bitterly resented in the Nazi circles than elsewhere.

HERR SCHMIDT

Herr Schmidt made two observations of interest.

1. He confirmed that Hitler's malaise was partly due to the feeling that he and Lord Halifax were talking a different language. But he said it was due to a greater extent to the fact that the Chancellor was not feeling well. Herr Hitler had actually complained to him of feeling chilly in an atmosphere which Herr Schmidt found unbearably hot.

2. General Göring telephoned to Hitler before receiving Lord Halifax and received authority to use the language he did. General Göring's remarks, therefore, have the seal of the highest authority.

[7] Reich Minister without Portfolio and head of the Legal Department of the Nazi Party.

No. 337

Sir N. Henderson (Berlin) to Mr. Eden (Received November 22, 10 p.m.)

No. 295 Telegraphic [*C 8052/7324/18*]

BERLIN, *November 22, 1937, 8.45 p.m.*

Visit of Lord Halifax to Germany may be said to have passed off without[1] a single discordant note. From first to last everything that was published in the press or was done here emphasized the unofficial nature of the visit and it is clear that this was so as a result of higher commands governing motive of which was to prevent false hopes being raised of some immediate result.

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[1] A marginal note at this point by Mr. W. I. Mallet read: 'if we exclude the violent outburst on the eve of the visit [see Nos. 321–3].'

Nevertheless underlying interest was very deep. Dr. Goebbels went down to Munich immediately after Lord Halifax's interview with Herr Hitler in order to have the latter's instructions before himself meeting Lord Halifax at the Embassy yesterday. General Goering took the Chancellor . . .[2] telephone before receiving Lord Halifax at Karenhall [*sic*] on November 20th and has delayed sending me the notes of his conversation with Lord Halifax till he had examined them and assured himself that he had been accurately reported, and that his statements of the situation as represented therein conformed with Herr Hitler's desires. It is with this background that all accounts of Lord Halifax's conversation with General Goering and Dr. Goebbels should be read. When I was saying goodbye to the latter yesterday he said to me with great earnestness that he would do his utmost to promote an Anglo-German understanding of which he would henceforth be a sincere supporter.

The one question which everyone from these two leaders downwards has subsequently asked has been: what impression did Lord Halifax get of his conversation with the Führer? The impatience of all to learn this is symptomatic of the deep and general anxiety for a better understanding with England. The restrained but profound sympathetic attitude of the vast crowds which witnessed the visits of Lord Halifax to the Exhibition gave me and I believe the Lord President of the Council also, an impression of this anxiety which was perhaps more striking than that of the people's leaders.

All have caught hold of the phrase that by Lord Halifax's visit a door has been opened which must not be allowed to be shut again. It is headlined in the press today.

Word of command is that rapid or sensational progress is not to be expected. Some may see some sinister design behind this but I emphatically do not. Yet if the door is not to be shut and if we are not to resign Europe to a further deterioration of Anglo-German relations with the dangers this implies, it is my considered opinion that the next move must come from us.[3]

[2] The text was here uncertain: a note on the filed copy suggested that the passage should read 'Chancellor's instructions by telephone'.

[3] Minutes on this telegram by Sir O. Sargent and Sir R. Vansittart were as follows. 'Please note that "the next move must come from us"—It is we who must now offer a "sacrifice for peace". If we don't it will be proof that we don't want peace. That is how the German argument is going to turn. O. G. Sargent. Nov. 25.' 'We made this last move, after they had refused our summer overtures. It is disappointing to find that they also expect us to make the next. That shd give pause to "thinking people." R.V. Nov. 25.'

No. 338

Letter from Mr. I. Kirkpatrick (Berlin) to Mr. Strang (Received November 26)

[*C 8121/7324/18*]

BERLIN, *November 22, 1937*

My dear Strang,

Lord Halifax is returning with a whole bagful of papers, which I think will give you all the information you require in regard to his visit and his conversations. In view of the fact that he took three copies of the records of the conversations, we are only sending you two copies in our official despatch.[1]

There is little really that I can add of much interest. We travelled to Berchtesgaden in the greatest luxury. The Government had placed at our disposal two special coaches, each consisting of a large sitting-room and a number of bed-rooms the size of a decent cabin in a ship. Lord Halifax and I occupied one coach and Neurath and the two Germans the other. The sitting-room was fitted with every luxury—an enormous radio, speedometer, luminous clock, photograph of Hitler, etc.; cigars, cigarettes and fruit were on the table, whilst a sort of major-domo popped up every few minutes to offer us a whisky and soda, which he seemed to think was the staple food of the Englishman. Shortly after we left Berlin Neurath joined Lord Halifax in our sitting-room and there was small talk of no particular interest until 10.45 p.m. when we went to bed. Next day we breakfasted at 8.30 in our coach and shortly before our arrival at Berchtesgaden, at 9.45 a.m., Neurath came in to warn us to be ready. Three large Mercedes cars, fitted with four wheels behind for climbing purposes, were at the station to meet us. The first carried Neurath, Lord Halifax and Schmidt; I and the Private Secretary went in the second, whilst the third followed behind to pick up the bits. After a very steep climb lasting 20 minutes we arrived at Obersalzberg. The house stands on the side of a mountain at the height of about 3,300 feet, with the most magnificent view you could imagine. The vale of Austria and the town of Salzburg can be distinctly seen.

On our arrival Herr Hitler met Lord Halifax at the top of the steps and accompanied him and Neurath upstairs, where they began their conversation. It had been agreed with Neurath at the station in Berlin that the Chancellor would feel cramped by the presence even of so insignificant a bureaucrat as myself. I therefore whiled away the time walking about the place and chatting with Brückner,[2] Dietrich and the photographer Hoffmann. The conversation was largely concerned with the manner of life at Obersalzberg and Hitler's habits; but I can't say I learnt anything very interesting or new.

At 1 o'clock we lunched with the Chancellor at a small round table in a panelled dining-room with a magnificent view of the surrounding mountains. The fact that everything had to be interpreted slowed things up, but quite apart from that the Chancellor seemed to me listless, nervy and in bad form. It was not that he looked ill; on the contrary, his eye was bright and his complexion good, but he gave the impression of being thoroughly out of sorts and most of his remarks were of a critical character, viz the weather prophets were always wrong: he was opposed to shooting: he disliked flying and only did so to save time. Even the subject of the additions past or impending, to the families of Hess, Brückner, Goebbels and Göring failed to arouse any visible enthusiasm. Nevertheless, he was extremely courteous and friendly to Lord Halifax and showed himself to be an excellent host.

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[1] No. 343 below: cf. No. 336, note 1.

[2] Herr Hitler's Adjutant.

The servants at Obersalzberg are perhaps worth mention. They are all smart-looking, young S.S. men, wearing a special uniform consisting of patent leather shoes, black S.S. trousers and a very smart whitecloth monkey jacket with their S.S. rank badge on the collar lapel. There were only 7 people at the luncheon table, but we had a major-domo and 3 of these S.S. people to whisk our food in and out. The lunch was quite simple—a cup of soup, a meat dish and apple pudding. Hitler had a nut cutlet instead of the meat dish and a raw apple with some walnuts and plain chocolate instead of the apple pudding. A vast number of bottles of wine and beer were proffered to us, but the Führer drank what appeared to be some sort of camomile infusion out of a glass in a special silver holder. I drank Munich beer.

After lunch we went into an enormous sitting-room decorated with tapestries and some really lovely pictures. There we had coffee round the usual circular table which Hitler affects, (you will remember it at the *Reichskanzlei* here) in front of a blazing log fire. At the other end of the room—some 40 or 50 feet away—was an enormous window, the size of the whole wall, looking over the Bavarian Alps. At a signal from the Chancellor two of the white-coated S.S. doubled smartly down the room and by turning things looking like a starting handle caused the whole window and frame to disappear into the ground. The view on to the mountains then looked like a gigantic blue-tinted tapestry covering the whole wall.

Brückner explained to me that behind two of the tapestries were respectively a cinema screen and a projection apparatus and that it was in this room that Hitler saw his films every night.

After coffee the great men went upstairs and the conversation continued until 2.45 when we all met in the hall to put on our coats. Hitler conducted Lord Halifax very courteously down the long broad steps to the road, where the cars were waiting. He said goodbye to everyone and waited on the steps until our cortège moved off.

In a general way Hitler gave me the impression of being a man completely assured of himself and his policy and unwilling to run after us or, indeed, any other country.

We came down the hill much quicker than we had climbed it and reached the station just after 3 p.m. We climbed into our respective coaches and the train at once moved off for Munich.

We got to Munich at 6 o'clock and Lord Halifax, at his own request, went off to see the sights. I must say that the Führer House, which has been built for representation purposes is what Lord Curzon would have described as 'of an unexampled magnificence'. We all dined together at a hotel. At my suggestion Neurath very kindly invited Gainer[3] to join us and sat him beside Lord Halifax at dinner. We left Munich at 10.20 still in our special coaches and got here at 7.55 next morning. The arrangements made for Lord Halifax's comfort were really remarkable and the Germans spared no trouble or expense.

Since writing the above further in[formatio]n has reached us bearing on

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[3] H.M. Consul General at Munich.

Hitler's mood, which causes me to modify what I wrote on the subject. It appears that he was 1. Tired after Munich 2. Not feeling very well 3. Nervy and impressed with the importance of the occasion. 4. Anxious to make a good impression and at the same time to give nothing away.

The thing which struck me perhaps most about the visit was the anxiety of the man in the street that it should be a success. Hitler has his ear close to the ground and this may influence him. But I still have the impression that he feels in a strong position and won't run after us—or anyone, including Italy.

I've put in a lot of work over the visit and had little leisure. Hence the scrappy nature of this letter, which is intended only for the dep[artmen]t since Lord Halifax will have given a much better account to the Office. Indeed I should not have written at all, if Ivo Mallet had not pressed for a letter!

Yours ever,
I. KIRKPATRICK

No. 339

Sir N. Henderson (Berlin) to Mr. Eden (Received November 25)

No. 1042E [*C 8108/78/18*]

BERLIN, *November 22, 1937*

Sir,

I have the honour to enclose a memorandum by the Financial Adviser on the Financial and Economic Position in Germany at the present stage.[1]

2. Mr. Pinsent's conclusions are shortly that both on the Budget side, and on the side of the supply of foreign exchange and imported foodstuffs and materials, the position is rather easier than it was a year ago, and that no serious difficulties are to be anticipated in the near future. As regards further developments it may be the case, as Dr. Schacht has freely hinted, that an inflationary tendency is inherent in the present policy of the Government. This tendency does not seem likely to develop very fast, and the German Government probably have plenty of time to modify their policy if the tendency should become too marked. It may even well be the case that the economic reserves still available—especially the reserve of labour—may be more elastic than appears at first sight and may enable the present spending policy to be carried on for a considerable time without untoward results.

3. I concur in these conclusions, and it seems to me important to realise that, while Germany may stand to benefit substantially from closer economic co-operation with the outside world, the absence of such co-operation is not likely to cause economic difficulties which will divert her from the political aims which she has set before her.

4. I am sending a copy of this despatch to the Department of Overseas Trade.

I have, etc.,
NEVILE HENDERSON

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[1] Not printed.

No. 340

Record of a discussion of the possibility of a retaliation in kind against Italian anti-British propaganda in the Middle East

[*R 7779/1/22*]

Secret FOREIGN OFFICE, *November 22, 1937*

This question was considered at a meeting this afternoon at which the following were present:

Sir Orme Sargent	Mr. Leeper
Mr. Rendel	Mr. Ingram
Mr. Campbell	Mr. Nichols

It was explained that the Secretary of State desired that the possibility of retaliation in kind should be examined departmentally. His idea was that His Majesty's Government might either (a) go to the Italian Government and say to them that 'since you have not stopped your anti-British propaganda in the Middle East we intend ourselves to start immediately and on a large scale anti-Italian propaganda', or (b) undertake this propaganda at once without warning the Italian Government.

In either case the object was to make the Italian Government realise that it was in their own interest to agree to the complete cessation of propaganda as a first step in any conversations on further subjects between the two Governments.

It was pointed out that His Majesty's Government have at their service only three methods of propaganda: (1) broadcasting; (2) the press; (3) Secret Service together with appropriate subsidies and gifts.

As regards (1), *broadcasting*, Mr. Leeper explained that under the recent arrangement reached with the British Broadcasting Corporation the latter had only undertaken to assist in *pro-British* propaganda and they would certainly decline to touch propaganda of an *anti-Italian* or aggressive character. Activities of this kind were specifically excluded from the agreement and they would certainly not be prepared to modify that agreement. These considerations applied to the British Broadcasting Corporation alone. In the case of Jerusalem, where we had lately undertaken a broadcasting service (which was under the control of the Palestine Government) it would not be possible to indulge in anti-Italian propaganda owing to the terms of the mandate. If either Cyprus or Malta were to be used for broadcasting purposes, new schemes to this end would have to be devised, but the Cabinet has decided against the erection of a station at Cyprus. Mr. Rendel added that he thought that what chiefly impressed the Middle East in our news service at present was its calm objectivity in contrast to the obvious bias and unreliability of the Italian broadcasts. We should lose this advantage if we descended to Italian methods.

(2) *Press.* It was pointed out that we should, in any case, only be able to

command the services of a small section of the British press in this task. Other sections were unlikely to follow the lead and might well publish matter diametrically opposed to the theses supported by the first section. In other words, the British press would be divided and could not, as we know, be effectively controlled.

(3) *Secret Service, gifts, subsidies, etc.* It was generally agreed that such a policy would be a departure from British precedent in peace time, although it had been undertaken in time of war with success and might be undertaken again if war with a particular country were really imminent. But we were not at war with Italy nor could it be maintained that war with Italy was imminent. It was doubtful whether at this moment we should be able either (a) to obtain the large funds necessary to carry through such a policy effectively, or (b) to find with ease the right men through whom to implement such a policy. Its object would be either directly to foment discontent and disaffection e.g. in Abyssinia, Libya, etc., or to play upon the fears of the Italians that that was our intention. The possibility that in the first alternative our plans might miscarry, that documents might be found, and that we might be held up to the opprobrium of the world for having incited populations to revolt and in the end abandoned them to severe reprisals, could not be wholly excluded.

Of the three possible methods it seemed clear however that only the last was likely to be effective. In regard to (3), it was urged that if in spite of the difficulties of money, men and method it could be made effective, it was not unlikely to result in some *act* of retaliation by the Italians, e.g. the annexation of the Yemen, or in any case some decision foreshadowing or likely to involve aggressive action. In other words, we should have started on a policy of action and counter-action the final upshot of which would be extremely difficult to predict but which might very likely involve us in the possibility, if we were not to withdraw in humiliating circumstances, of armed conflict with the Italians. It was therefore extremely important, before undertaking method (3) to make up our own minds as to whether we were or were not prepared to face this ultimate possibility.

A fourth method of retaliation was also examined. It was pointed out that the Italians were extremely suspicious as to our policy and intentions in Arabia and in particular in Southern Arabia. The 1927 Clayton understanding[1] was vaguely worded and we had in fact extended our influence (in what was however our own sphere) in Southern Arabia in a manner which had given rise to considerable suspicion in the Italian breast. It seemed clear that the Italians were anxious to obtain a re-affirmation in some form or another of the Clayton Agreement, and this perhaps gave us a lever against them. If they were afraid of our intentions in that part of the world we might possibly play on those fears by threatening them with a denunciation of the 1927 Agreement. Our argument would be 'Either you cease your anti-British propaganda in the Middle East or we will denounce this agreement and feel ourselves at liberty e.g. to annex Kameran[2] or try to secure a lease of the

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[1] See No. 44, note 4.

[2] Kamaran is a small island in the Red Sea.

Farsan Islands.'[3] It was, however, generally agreed that to do so would only be likely to precipitate the Italians on their side into some rash act, e.g. again the annexation of the Yemen, in order to forestall us, and that we should then be unable to turn them out without going to war.

In general, on the question of counter or anti-Italian propaganda it was urged:

(a) That in a contest of this kind in which the weapons consist of exaggeration, dissimulation, careful selection and suppression of news—not to speak of direct falsifications and lies—the Italians will always beat us. It is a game after their own hearts and we cannot ever hope to rival them. They will always go a little further than we will.

(b) The machinery at the disposal of the Italian Government for the purpose of propaganda is superior to our own. They are a totalitarian State, we are a democracy.

(c) If we indulge in anti-Italian propaganda we shall sacrifice what is left of the reputation we have slowly built up in the Near and Middle East of being a little more reliable than other foreigners. Our reputation in this respect is not as high as it was but it is still higher than that of any other European Power and far higher than that of the Italians. If we now go in for propaganda on the Italian model we shall sacrifice that reputation.

(d) Again, if we undertake propaganda of this kind, it will mean that the recipients will no longer believe the 'straight news' we now manage to put across by broadcasting and other means. Gresham's Law will apply and the bad currency we issue will force the good out of circulation.

(e) If we leave the field clear to the Italians they will certainly hang themselves; they are already overreaching themselves in their claims and certain sections of opinion in the Near and Middle East which already are beginning to take them rather less than seriously will soon be contemptuous.

(f) The Italians can quote the English and French press against His Majesty's Government (for both we and the French permit ourselves the luxury of self-criticism and criticism of our friends). We cannot do the same against the Italians for the Italian press is Government-controlled and no criticism appears.

(g) That events in Palestine provide the Italians with ready made propaganda; they have hardly to embroider much to make a telling story. A change in our policy in Palestine would completely alter the situation in the Middle East, and by taking away what is at present the main foundation of Italian propaganda would make it relatively innocuous.

It was further agreed that a recent proposal of the French Ambassador, viz. that English and French experts should meet at stated intervals to exchange notes and compare impressions regarding the position in the Mussulman world, was unlikely to be of much value in damping down anti-British Italian propaganda.

The tentative conclusions reached therefore were:

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[3] A group of islands in the Red Sea off the coast of Yemen.

1. That of the four methods open to us, the first two, broadcasting and the press, are likely to be ineffective.

2. That the third, viz. the Secret Service, with appropriate subsidies and gifts, could perhaps be made effective, in spite of certain difficulties. It might, however, involve us and the Italians in a series of political moves and counter-moves; the upshot of this might be to place us in a situation in which we might be confronted with the two alternatives: either withdrawal in humiliating circumstances or armed conflict with the Italians.

3. That the fourth, viz. a threat to denounce the Clayton conversations of 1927 might well lead to much the same result as 2 above.

No. 341

Mr. Eden to Sir E. Phipps (Paris)

No. 234 Telegraphic [*C 8039/3785/17*]

FOREIGN OFFICE, *November 23, 1937, 1.55 p.m.*

Your telegram No. 716 (Saving).[1]

I agree that such a meeting at the present moment would be useful. If you are satisfied that M. Chautemps wishes for a meeting, I should be glad if you would intimate to him that the Prime Minister and I would be glad to see M. Chautemps and M. Delbos in London on November 29th and 30th.

In transmitting this invitation, you should say that His Majesty's Government would wish to give the French Government some account of what passed during Lord Halifax's recent visit to Germany.[2]

[1] No. 335.

[2] See Nos. 332, 336, 338.

No. 342

Sir N. Henderson (Berlin) to Mr. Eden (Received November 25)

No. 696 Saving: Telegraphic [*C 8093/78/18*]

BERLIN, *November 23, 1937*

Dr. Schacht told me the other night that he was definitely leaving the Ministry of Economics and had not actually been at that department since September.[1] He asserted that the notification of his resignation had been held up over the Halifax visit but that it would shortly be announced.[2] I said that I presumed he would remain at the Reichsbank and retain his seat in the Cabinet. He replied that his appointment at the Bank was only till next

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[1] See No. 290, note 6.

[2] A minute by Sir O. Sargent read: 'His resignation is announced today officially. O. G. Sargent. Nov. 27.'

March and he would not wish to have it renewed if his conditions were not accepted. He could not afford to be held responsible if his advice was not taken and he referred sarcastically to excessive military as well as public works expenditure.

No. 343

Sir N. Henderson (Berlin) to Mr. Eden (Received November 25)

No. 1041 [*C 8094/270/18*]

BERLIN, *November 23, 1937*

Sir,

I have the honour to report that the Lord President of the Council arrived in Berlin on the morning of November 17th.[1] He lunched quietly with Baron and Baroness von Neurath, the only other guests being myself and Herr von Mackensen and Frau von Mackensen, who is Baron von Neurath's daughter. In the afternoon he paid a visit to the Hunting Exhibition, and he dined privately at the Embassy where I had invited a few members of the staff to meet him.

2. On the following day he paid a further visit to the Exhibition in the morning and lunched quietly at the Embassy where he met other members of the staff, who had not been present the preceding evening. In the afternoon he paid a private and informal visit to the memorial to the Unknown Soldier and drove to Potsdam via Döberitz and Gatow where he had a glimpse of the formidable military establishments which have sprung up in the last two years.

3. In the evening he left by train for Berchtesgaden. He was accompanied by Baron von Neurath, Herr Schmidt the interpreter, Baron von Neurath's private secretary and Mr. Kirkpatrick. The German Government had attached two special saloon coaches to the train, one for Lord Halifax and the other for Baron von Neurath and his party; the journey was thus made in conditions of the greatest comfort. They arrived at Berchtesgaden station punctually at 9.45 a.m. and drove to Herr Hitler's house at Obersalzberg where they arrived shortly after 10 o'clock. Herr Hitler met Lord Halifax at the top of the steps and the conversation began without delay. At 1 o'clock there was an interval for lunch, after which the conversation was resumed until a quarter to three, when it was necessary to leave in order to catch the special train for Munich which had been placed at Lord Halifax's disposal. I enclose herewith Lord Halifax's note on his conversation with the Chancellor,[2] together with a translation of Herr Schmidt's notes[3] which were sent to me by Baron von Neurath under cover of a letter emphasising that they were

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[1] See No. 319, note 11.

[2] See No. 336.

[3] Not printed here: see *D.G.F.P.*, Series D, vol. i, pp. 55–67.

not official and were only intended to help Lord Halifax in drawing up his report.

4. The special train arrived at Munich at 6 o'clock and Lord Halifax was immediately taken on a short tour to see the sights of Munich, in particular the old Brown House, the new Brown House, the so-called Führer House used for purposes of representation, the memorial to the dead of the 1923 Putsch, the House of German Art, and the block of flats in which the Chancellor has his modest dwelling. The party dined at a hotel in Munich and left at 10.20 p.m. for Berlin, where they arrived at 8 a.m. the following day.

5. After a brief rest at the Embassy, I accompanied Lord Halifax shortly after 11 a.m. to Karinhall to lunch with General Goering. Amongst the guests invited to meet him were Baron von Neurath, Herr von Mackensen, General Milch and General Stumpff. We spent some five hours at Karinhall, in the course of which we inspected General Goering's elk and bison and the property generally and Lord Halifax had, after lunch, a long conversation alone with the General himself, the record of which he has taken to London with him.

6. In the evening I gave a dinner party at the Embassy in order to enable Lord Halifax to become personally acquainted with leading members of the régime. Amongst the guests were Field Marshal von Blomberg, Dr. Schacht, Count Schwerin von Krosigk, Dr. Frick, Dr. Frank, General Milch and Herr Bohle. The South African Minister was also present. Unfortunately Herr Hess and Herr Himmler, whom I should have liked Lord Halifax to meet, were unable to be present owing to engagements in the country. Herr Hess was detained in Munich owing to the recent birth of his first child, an event which has caused great satisfaction in the Party. Lord Halifax had some conversation after dinner with Field Marshal von Blomberg and with Dr. Schacht and has taken a record of these talks with him.

7. On the morning of November 21st, Lord Halifax informally received the British press correspondents here and at 1 p.m. saw the French Ambassador at the latter's request. In order to give the principal diplomatic representatives an opportunity of meeting Lord Halifax, I gave a luncheon party to which I invited the French, Italian, American and Belgian representatives together with their wives and Herr and Frau von Mackensen and Prince and Princess Bismarck.

8. In the afternoon Lord Halifax, at the request of the Chinese Ambassador, received Lieutenant General TsiangPa-Lie who was accompanied by Professor Chang. The latter had been in Rome and seemed to have obtained an accurate impression of the feeling both in Italy and Germany in regard to the Far Eastern conflict.

9. Dr. Goebbels and Frau Goebbels, whose engagements had prevented them from dining the preceding night, came to tea and stayed for nearly an hour and a half.

10. I enclose a record[4] which I have compiled myself, since I acted as interpreter on this occasion, of the conversation which ensued between Lord

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[4] See Enclosure to this despatch.

Halifax and Dr. Goebbels. It has not been seen by the former and might be submitted to him for verification.[5]

11. After an early dinner Lord Halifax left for London by the Nord Express.

I have, etc.,

NEVILE HENDERSON

ENCLOSURE IN NO. 343

Memorandum by Sir N. Henderson on a conversation between Lord Halifax and Dr. Goebbels on November 21, 1937

Dr. and Frau Goebbels came to tea at the Embassy on November 21st to meet the Lord President of the Council. The former had only returned from Munich that morning, after a hurried trip down there to get from Hitler an account of his interview with Lord Halifax, and the conversation which ensued should be regarded with that background.

Dr. Goebbels began by saying that the Führer had been much impressed by his meeting with Lord Halifax but had been quite exhausted after it. He had found it a great mental strain to talk as he had done and to weigh his words carefully for several hours on end with so well informed a politician as Lord Halifax.

Lord Halifax informed Dr. Goebbels of the statement he had given to the British correspondents here in the morning and alluded to the need for the Press to create the right atmosphere if any real advance were to be made towards a better understanding. Dr. Goebbels agreed. He said that the influence of the Press was under- rather than over-rated. Its power to mould public opinion was greater even than was realised, and if public opinion was moulded wrong incalculable harm could be done since, in the end, it was public opinion, even in Germany, which directed policy. He wished in this respect to make one vital and essential point. Could something be done to put a stop in the British Press to personal criticism of Hitler? Nothing caused more bitter resentment in Germany than that. It alienated the Führer himself and infuriated Party circles which, being in close touch with Hitler had considerable influence over him. He referred to the unexceptional attitude of the German Press at the time of the British monarchical crisis last December and during the Coronation. It was, he said, the principle to which the Germans attached importance. An insult to one Head of a State was an insult to all Heads of State and that was why they refrained from it. Could not the British Press adopt a similar attitude of restraint?

Lord Halifax drew a distinction between our Constitutional Monarch and the head of a totalitarian State. Dr. Goebbels admitted this but pleaded that Hitler was more than just a Prime Minister. He was the head of the German State and a revered emblem of the new Germany about which they felt just as sensitive as people in England about the Crown: and even more so, since the

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[5] A marginal note by Mr. Strong here read: 'Done. Lord Halifax has passed it. W.S.'

Nazis were in a sense 'arrivistes' and consequently more touchy than the people of a country where tradition was centuries old. If the British Press wished to attack German foreign policy, let them abuse Baron Neurath, or Dr. Kerl if it concerned Church matters or himself if it was in respect of internal affairs. That would not matter. All that did matter was any personal attack on Hitler. In this connection he referred especially to the caricatures which appeared in some of what he described as our Left Press.

Lord Halifax observed that a distinction must be drawn between certain London newspapers and the provincial Press. The former did not influence public opinion in England nearly as much as was the case in other countries, where the newspapers of the capital were all that really mattered. London was apt to forget the next day what it had read the night before. The provincial Press in England, especially in the industrial centres, carried great weight (vide the Monarchical crisis) and in order really to keep in touch with public opinion in England, Cabinet Ministers were obliged to study such papers as the *Manchester Guardian*, *Scotsman*, *Birmingham Post* etc. etc., and that as a matter of fact these in general held sane views, nor could they be regarded in any sense as anti-German. Dr. Goebbels took note of this fact of which he had clearly been unaware.

The Minister of Propaganda then made his second point which was that the Germans could not object to fair criticism but did strongly object when it was ill-natured and distorted. He quoted in this respect firstly Mr. Ebbutt of the *Times* and the spiteful twist given by him in his reports and, secondly, a recent report started by Havas about an outbreak of foot and mouth disease in Germany which, though a misfortune for Germany, for which sympathy should be expressed, had been represented as having been caused by the evil administration of the Nazi Government. I interpolated here that the recent articles about Palestine were an instance of corresponding German spitefulness. Dr. Goebbels admitted that the wrongs might be equally apportioned, but urged that what was required in future was a better appreciation of one another's sore spots. He suggested in this connection closer cooperation between himself and myself in Berlin and between Ribbentrop and the British authorities in London. If we were dissatisfied with each other why not make more use of personal contacts to smooth difficulties over? He instanced here my approach to him before Lord Halifax's arrival (see my telegram No. 683 Saving of November 13th)[6] and asked whether I had not been satisfied with the attitude of the German Press since I had spoken to him. He also quoted my representations to him about the expulsion of Basedow.[7] The latter had now been told to leave England and the matter was thus settled without fuss or trouble. Basedow was not persona grata to the Germans but even so, if he had just been expelled without reference, his Government would have felt obliged to take the matter up and make a history of it. In this connection Dr. Goebbels said, as the result of an enquiry from Lord Halifax, that the German

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[6] No. 317.

[7] Reported in Sir N. Henderson's despatch No. 1018 of November 12, (C 7819/305/18), not printed.

Government would similarly, if it wished to expel a British journalist, first approach the British authorities in the same way as we had done in the Basedow case.

In the course of this discussion Dr. Goebbels mentioned the case of Ravoux, the French Havas journalist, who was recently expelled and about whom the French Government had protested. He said that three years ago at a meeting to which he had summoned all the foreign correspondents, Ravoux had called him a liar in front of all his colleagues. Lord Halifax observed that he was surprised that Ravoux had survived that occasion. Whereupon Dr. Goebbels naively explained that in those days Germany was weak and did not feel strong enough to adopt such forcible measures but that now it was a different matter.

In the end Dr. Goebbels got back to the point at which he had first started, namely, the supreme importance of avoiding in the British Press offensive personal references to Hitler himself. If this were effected, he would personally guarantee that nothing should be written in the German Press which could prejudice Great Britain either as regards her foreign policy or her internal affairs. To this Lord Halifax replied that while, in view of the complete independence of the British Press, he could not give any similar guarantee, he would at least undertake to represent to the Prime Minister and his colleagues the views which Dr. Goebbels had expressed and which he himself regarded as reasonable. Dr. Goebbels said that he was fully alive to the difference between the British and German presses but that he did believe that something could be done if His Majesty's Government used their influence on the lines of national discipline and fair play. However independent British journalism was, he believed it to be amenable to an appeal to its better instincts on the ground of the necessity for a better understanding between the two countries. He realised that the change could not be brought about in a moment and it was not perhaps desirable that it should be too abrupt. Journalists were combative and sensationalists by nature. Nevertheless it was intolerable that, democracy or no, a handful of journalists on either side should be allowed by their effusions to defeat the higher policies of Governments.

After an exchange of courtesies and a renewed assurance on the part of Lord Halifax that he would consult the Prime Minister and Mr. Eden with a view to seeing what could be done to secure the cooperation of the British Press particularly with regard to the question of personal attacks on Herr Hitler, the interview concluded.

As I was saying goodbye to Dr. Goebbels, he assured me with great earnestness that I could henceforward count on him to do his utmost to support the cause of an Anglo-German understanding. I have no doubt whatever that he said this to me on instructions from the Chancellor, but I have equally no doubt that this assurance will not stand the test of disparaging references in the British Press, particularly to Herr Hitler himself.

N.H.

No. 344

Letter from Sir N. Henderson (Berlin) to Sir O. Sargent

[*C 8294/270/18*]

BERLIN, *November 23, 1937*

My dear Moley,

May I answer your letter of November 15th[1] and that of November 18th (R 7568/303/3)[2] at the same time, since they both really concern the same problem.

It goes *without saying* that I have been careful not to give the Germans, as regards our Central European policy, the impression which the Secretary of State wished to avoid. It would clearly be a disastrous thing to do; it was because the *Evening Standard* put out this very idea that Hitler reacted so violently.[3] Though you apparently do not choose to believe it, I have never, in regard to Central Europe, gone with the Germans further than—indeed I don't think I have been as explicit as—Lord Halifax was in his talk with Hitler.

I also note what you say about your information from Austria. I hope you may be right, particularly in thinking that Nazism is making little headway among the youth and in the army and police.

It seems clear from your letters and from what Lord Halifax told me of the policy of His Majesty's Government that there is no real difference of opinion between us. I observe you 'have no illusions' and that you are 'fully alive' to the arguments I adduce. This is all I am concerned with, since you can obviously not formulate a policy without a knowledge of the facts and it is my duty and intention to report the facts as I see them.

It is true that my personal position with German Ministers is not in a sense adversely affected by the constant reports they receive from London to the effect that the Foreign Office disapprove of me. Though I do all I can to remove this unfortunate impression, in the long run it must do us both damage. Without exaggerating the emphasis for obvious reasons, I have done my best both before and during Lord Halifax's visit to warn mischief-makers that there is no divergence between the Prime Minister and the Secretary of State and I have urged that in the interest of Anglo-German relations the press should cease among other things making personal attacks on the Secretary of State and the Foreign Office. I am informed that instructions to this effect have now been issued and offensive cartoons of Mr. Eden are no longer to appear. It would perhaps be better if I were to emphasise sometimes in my reports the action I constantly take in this sort of sense rather than to concentrate on reporting the facts of the situation—often inconvenient and displeasing—as I see them. Alas, it is too late in life to take to doing that and I shall go on hoping that you will take some things for granted.

As for the word 'concede' to which you draw attention, it was certainly not used in the sense you attribute to it. I have not an Oxford dictionary by me, but I note that I used it twice and in the first instance—which is the one that counts—as follows: 'concede the possibility'. Surely that does not mean 'making actual concessions' but merely 'admit the possibility'. Anyway it was in that sense I meant it. And the second instance was clearly a repetition of the first.

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[1] No. 325.

[2] See No. 315, note 2.

[3] See Nos. 321 and 322.

Yours ever,
Nevile Henderson

If Lord Halifax found that I spoilt his wicket, I hope he will tell you so and I shall cry 'peccavi', but not otherwise.[4]

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[4] Sir O. Sargent, with Sir R. Vansittart's approval, did not continue this discussion.

No. 345

Sir N. Henderson (Berlin) to Mr. Eden (Received November 24, 12.37 p.m.)

No. 298 Telegraphic: by telephone [*C 8080/37/18*]

BERLIN, *November 24, 1937*

Your telegram No. 203.[1]

Following is text referred to in my immediately preceding telegram.

'We must continue with our demand for colonies and repeat the demand more and more loudly until the world can no longer refuse it. It will be a hard task, but the hardest part of it has already been accomplished although there are still great difficulties ahead of us'.

Referring to the four year plan Herr Hitler declared 'This plan does not mean that Germany is making herself economically independent because she does not expect the return of her colonies. It is absolutely essential for Germany to make herself strong so that she can successfully demand the return of her colonies.

Today foreign countries do not like to hear the subject of colonies mentioned, but in one year they will become used to it. In three years they will realise that something must be done about it and in six years they will be convinced of the necessity of taking practical steps. The main thing is that Germany has now a new and strong army and that she has rid herself of her inferiority complex.'

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[1] In telegram No. 694 Saving of November 22 Sir N. Henderson had referred to a speech by Herr Hitler at Augsburg on November 21 in which he had declared that the rights of the German people in the matter of colonies would one day be understood by the whole world. In telegram No. 203 of November 23 the Foreign Office asked for the full text of the Chancellor's remarks. The speech is also reported in *The Times*, November 22, 1937, p. 11.

No. 346

Extract from Cabinet Conclusions No. 43(37) of November 24, 1937

[*C 8149/7324/18*]

3. The Lord President of the Council gave the Cabinet an account of what had passed during his recent visit to Germany as well as his general impressions of the attitude of the German Government.[1]

The subject was then discussed by the Cabinet.

Towards the end of the discussion, the Secretary of State for Foreign Affairs stated that, on the previous day, he had received a personal telegram from His Majesty's Ambassador in Paris[2] intimating that the French President of the Council would like to see the Prime Minister before the visit of his Foreign Minister (M. Delbos) to certain countries in Eastern Europe. It had now been arranged that M. Chautemps and M. Delbos should visit London on Monday and Tuesday next, the 29th and 30th November.[3]

The Prime Minister said that M. Chautemps' proposal had been very opportune as clearly the first step resulting from Lord Halifax' visit would be to compare notes with the French Government. He expressed warm appreciation of Lord Halifax' efforts.

The Cabinet approved the following Answers to be given by the Prime Minister in Parliament the same afternoon:

Question: To ask the Prime Minister, if he is in a position to make any statement regarding the conversations which have taken place between Lord Halifax and Herr Hitler, and other representatives of the German Government.

Answer: As my right hon. Friend the Chancellor of the Exchequer informed the House on November 12th, the visit of the Lord President of the Council was entirely private and unofficial. It had, however, as the House is aware, been arranged that Lord Halifax should see Herr Hitler, which he accordingly did on November 19th at Berchtesgaden, being accompanied by Baron von Neurath, the German Foreign Minister. During his visit, the Lord President also had the opportunity of meeting General Goering, Dr. Goebbells [*sic*] and other prominent leaders in Germany.

These conversations were of a confidential character, and the House will not, I am sure, expect me to make any further statement in regard to them at this stage. I am satisfied, however, that the visit has been valuable in furthering the desire, which I believe to be generally felt in both countries for the establishment of closer mutual understanding.[4]

Question: To ask the Prime Minister, whether the French Prime Minister and Minister for Foreign Affairs are shortly to pay a visit to this country.

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[1] See No. 336.

[2] See No. 335.

[3] See No. 341.

[4] See 329 *H.C.Deb. 5 s.*, col. 1215.

Answer: Yes Sir. The French Prime Minister and Minister for Foreign Affairs have accepted an invitation from His Majesty's Government to visit London on November 29th and 30th for an exchange of views on the international situation with myself and my right hon. Friend the Secretary of State for Foreign Affairs.[5]

Note: A summary of the Lord President of the Council's statement and the main points arising out of the discussion is on record in the Secretary's file of the Cabinet Conclusions.[6]

ANNEX TO NO. 346

Summary[7] of the discussion referred to in the note at the end of conclusion 3 of the Cabinet

Most Secret *November 24, 1937*

The Lord President of the Council gave the Cabinet an account of what had passed during his recent visit to Germany, as well as his general impressions of the attitude of the German Government.

Only the principal points are summarised below.

His impressions were subject to the considerations that his visit was very brief, that he might have been deceived, or his judgment might have been at fault, or the German attitude might change.

He had seen Herr Hitler, Baron von Neurath, General Goering, General [*sic*] Goebbels, Dr. Schacht, and General Blomberg.

He had encountered friendliness and a desire for good relations.

They had agreed that there was no more desire to separate France and ourselves than to upset the Berlin-Rome Axis.

Our re-armament had been of assistance.

General Goering, with Herr Hitler's approval, had said that 'Even with the colonial question in the field he could see no circumstances in which the two countries would fight', and General Blomberg had said that good relations between Germany and the United Kingdom were the only thing that mattered. Italy and France were secondary.

He had been warmly received by the general crowds: for instance, at the Hunting Exhibition.

With all those mentioned he had discussed the problems of Central Europe, Austria, Czecho-Slovakia and Danzig. Herr Hitler had expressed satisfaction with the Austro-German Agreement of July last.[8] Of Czecho-Slovakia he had said 'She only needed to treat the Germans living within her borders well and they would be entirely happy'.

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[5] See *ibid.*, col. 1226.

[6] See Annex to this document.

[7] This summary has been supplied from the Cabinet Office archives: no copy has been found in the F.O. archives.

[8] See Volume XVI, No. 436, note 4.

Herr Hitler had strongly criticised widespread talk of an imminent catastrophe and did not consider that the world was in a dangerous state. Herr Goering had said that not one drop of German blood would be spilt in Europe unless it was forced on them.

Lord Halifax's general conclusion, therefore, was that the Germans had no policy of immediate adventure. They were too busy building up their country, which was still in a state of revolution. Nevertheless he would expect a beaver-like persistence in pressing their aims in Central Europe, but not in a form to give others cause—or probably occasion—to interfere.

As to the League of Nations, Herr Hitler regarded the present system and conception as unworkable and unreal. To a direct question he had replied that the matter was not one to which any answer could at present be given. But Germany would not join the League as at present constituted and functioning. Baron von Neurath had thought the League useful for social questions, labour matters and as a meeting-place where Foreign Secretaries could get to know one another.

On the question of disarmament Herr Hitler said that 'we had missed every bus with his label on'. He had indicated the possibility of an abolition of bombing aeroplanes, which, he said, had previously been rejected by the Colonial Powers, who wanted the right to bomb natives.

Lord Halifax thought, therefore, that the basis of an understanding might not be too difficult as regards Central and Eastern Europe, and that the question of the League could be discussed. Was it possible, however, Herr Hitler had asked, to reach an understanding about colonies, on which British opinion, as Lord Halifax had emphasised, was most sensitive? Herr Hitler had said 'If agreement could be reached it would be most satisfactory. In the contrary event he could only take note of the fact with regret'. General Goering, as he had said, had intimated that, even with the colonial issue in the field, war was inconceivable.

He concluded with a description of the personalities of the principal people he had met.

The Secretary of State for Foreign Affairs, who had read not only the Lord President's report but also the notes of the German Interpreter, expressed great satisfaction with the way the Lord President had dealt with each point in his conversations with the Chancellor. His first main impression was that the question of colonies loomed larger than before in the minds of the Germans. They were anxious to improve relations, but made quite clear that colonies must be dealt with. They had suggested that their policy in Eastern Europe would not give rise to difficulties for other nations, but had given no indication of any *quid pro quo* for any colonial concession. Germany clearly did not now wish to connect Central Europe with the Colonial question. It was important to realise this for if the Cabinet's attitude was, as his was, that Colonial concessions could only be contemplated in return for a general settlement, this was clearly not Germany's view. He did not say that on this account the attempt should not be made, but the difficulties should be realised.

The Lord President agreed that the Germans had not suggested a *quid pro quo* but neither had they given any impression of bargaining Central Europe against a colonial settlement, as some British newspapers had suggested. Herr Hitler himself, however, had suggested an advance towards disarmament by the possible abolition of bombing aeroplanes—he had overlooked this point in his own note, but it was included in the Interpreter's notes.

The idea of abolishing bombing aeroplanes interested the Cabinet.[9] It was suggested that it might have the result of enabling the German Army to dominate Europe, particularly if the risk of war with the United Kingdom was eliminated. It would, however, have the advantage of removing the risk of a knock-out blow at the outset of a war.

The Prime Minister recalled that the object of the visit had been not to reach an agreement but to make contact and to bring back to the Cabinet an impression of the German outlook and the possibilities of a settlement. He was satisfied that those objects had been achieved, and he was extremely grateful to the Lord President for carrying out so difficult and exhausting a task. He read a telegram from His Majesty's Ambassador at Berlin (No. 296 of the 23rd November)[10] which showed how valuable the effect of the visit had been in Germany. His own first impression was similar to that of the Secretary of State for Foreign Affairs, namely, as to the importance in the minds of the Germans of the question of colonies, though he also had noted that they had not suggested anything in return to set against any concession that might be made. For his part he would not make any offer in the colonial field except as a factor in a general settlement. The difficulty was to find what contribution the Germans could make. That would depend upon the degree of conviction we felt as to their good faith. We should have to obtain some satisfactory assurance that they did not mean to use force in Eastern Europe. There would be nothing to prevent the Germans from continuing what Lord Halifax had called their 'beaver-like activities', but he would regard that as less harmful than (say) a military invasion of Austria. As to a colonial settlement, we now had some idea of the minds of the Germans. It was interesting to note that they did not propose to fight for colonies, at any rate for some time to come. The speech which Herr Hitler had made at Augsburg[11] immediately after Lord Halifax's visit seemed to suggest that they expected to have to repeat their demand for colonies for six years. This country did not stand alone in this matter. For example, in the case of the Cameroons and Togoland, France was equally concerned. The first step, therefore, was to make contact with the French Government.

Returning to the question of a *quid pro quo* for colonies, he said that it ought to include not only Central Europe but also some agreement on the League of Nations and on armaments, to which latter he attached special importance as they threatened to crush all the nations. He could see little hope in any undertaking not to bomb from aeroplanes. That would be no more reliable than the Gas Protocol, which had not saved nations from the cost of anti-gas preparations. An agreement not to construct bombing aeroplanes, however, was a different proposition, since the tendency was increasing for a differentiation of the bomber type. The most hopeful prospect, therefore, for disarmament was in a qualitative rather than a quantitative direction; that is to say, some limitation of the size and power of weapons such as guns, tanks or aeroplanes, following the precedent of the Naval Treaty of 1936. That might save a great deal of expenditure.

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[9] Cf. No. 401 below.

[10] Not printed: cf. No. 337.

[11] See No. 345, note 1.

As to the League, he took the same view as Herr Hitler. At present it was largely a sham, owing more particularly to the idea that it could impose its views by force. As long as the League had attached to it powers that it could not use it would be of little value. If reformed it might become a great moral force, and though the United States of America might not be willing to join the League, their attitude towards it would become much more benevolent.

He thought it would be premature to initiate an examination, even by the Cabinet, of the colonial question at this moment. That would come later. For the present the first step was a discussion with the French Government.

The Cabinet were reminded of the leakage which was an invariable accompaniment of conversations with French Ministers. On the whole, however, it was thought that this was a risk which would have to be taken and that no great harm need result.

The Lord President of the Council asked that the utmost care should be observed not to give any impression that a bargain was to be struck between some concession by Germany in Eastern Europe in return for a colonial settlement. Herr Hitler had made a great point of basing his colonial claims on grounds of equity.

The Secretary of State for Foreign Affairs informed his colleagues that on the previous day he had received a telegram from His Majesty's Ambassador in Paris to the effect that the French Prime Minister wanted to meet the Prime Minister before the departure of his Foreign Minister (M. Delbos) on a visit to Eastern Europe. The first suggestion had been that the Prime Minister should visit Paris, but M. Chautemps had now accepted to visit London with his Foreign Minister (M. Delbos) on Monday and Tuesday next, November 29th and 30th.

No. 347

Extract from Cabinet Conclusions No. 43(37) of November 24, 1937

[F 10023/6799/10]

6. The Secretary of State for Dominion Affairs[1] made a report to the Cabinet on the lines of his telegrams from Brussels Nos. 80, 81, 82 and 83

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[1] Mr. Malcolm MacDonald. The Cabinet had decided at its meeting on November 17 that Mr. Eden could not be spared from his duties in London to attend further meetings of the Brussels conference (see No. 272, note 4) and that Mr. MacDonald should travel to Brussels on November 19 to endeavour to negotiate some arrangements for bringing the conference, or at any rate its existing stage, to an early end. He did so. At the final session, on November 24, the British representative was Lord Cranborne.

(Saving)[2] of the 22nd November (*Appendix*). In summing up, he regretted to report that the results of the Conference had been somewhat inglorious but there were at least some compensating features, more particularly the following:

(1) Cordial relations and complete co-operation with the delegation of the United States of America had been and was still being maintained:
(2) The Dominions delegates had kept in step with the United Kingdom delegates throughout:
(3) The door had been kept open for some possible future initiative by the United States and ourselves with a view to securing peace.[3]

The Prime Minister, with the general concurrence of his colleagues, expressed the view that a very difficult situation had been handled effectively. The main lesson to be drawn was the difficulty of securing effective co-operation from the United States of America.[4]

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[2] Not printed in this Volume.

[3] The report of the conference of November 24 strongly reaffirmed the principles of the Nine-Power treaty of 1922 with regard to the respecting of the sovereignty, independence, and territorial and administrative integrity of China, but the participating members were unable to offer material assistance to China in view of the Japanese contention that the conflict between China and Japan 'lies outside the scope of the Nine-Power Treaty'.

[4] As already mentioned, Foreign Office documentation referring to this phase of the Far Eastern question will be printed in a subsequent volume of this series. It may be noted here, however, that the problem of Japanese aggression continued to be the subject of intimate and far-reaching discussions between the British and United States Governments during the next three months.

No. 348

Memorandum[1] *by Mr. Eden on the strength of Great Britain and of certain other nations as at January 1938*

[*C 7851/205/62*]

Most Secret FOREIGN OFFICE, *November 26, 1937*

I am in general agreement with the argument and conclusions of the memorandum by the Chiefs of Staff of the 12th November, 1937 (C.I.D. Paper 1366B).[2] I would, however, make the following comments:

Strength of our own Armaments

2. I would make the following observations and comments upon the evidence submitted by the Chiefs of Staff as to the strength of our own armaments and our preparedness for war:

(i) It appears that we are not in a position to fulfil our Locarno obligation to France and Belgium, so far as land warfare is concerned, in the circumstances contemplated by the report (paragraph 5);

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[1] Circulated as C.I.D. paper No. 1373B. For the origins of this paper, drawn up in reply to the Chiefs of Staff memorandum of November 12 (No. 316), see *ibid.*, note 9.

[2] No. 316.

(ii) So far as air warfare is concerned, the Chiefs of Staff do not estimate in what effective force we could attack Germany by air direct from our own shores, for though they state in Table C[3] on page 23 that we have 216 long-range bombers capable of attacking Germany direct from this country, the report does not show what weight of bombs we could drop on Germany as compared with the 600 tons a day maximum that could be dropped by the German Air Force here (paragraph 9);

(iii) If it should be necessary to despatch an air contingent to operate from French or Belgian soil, the repair and maintenance organisation accompanying it would be of a low order (paragraph 5 of appendix on page 24)[3];

(iv) Our naval superiority in the Mediterranean may not in practice be as great as would appear from the figures given in Appendix I,[3] since Italian and German naval forces are more or less concentrated, whereas a portion of our own forces would, no doubt, have to be employed in the Far East and in the protection of our trade routes. The value to Italy of her present ability to make a *coup de main* against Egypt might, therefore, be more strongly emphasised than it is in the Chiefs of Staff paper.

(v) In paragraph 3 the opinion is expressed that our marked superiority at sea should enable us to exercise decisive economic pressure in a prolonged war, assuming that it is found possible to impose an adequate system of rationing upon neutral States bordering enemy countries. It might be emphasised here, and again in conclusion (i) in paragraph 41, that the essential word in this passage is the word 'prolonged.' And it might also be observed that, in order to impose an adequate system of rationing upon neutral States, we might have to stretch our belligerent rights well beyond the limit laid down by international law, and that in so doing we might come into serious conflict with powerful neutrals, especially the United States;

(vi) The question of the measures which can be taken to strengthen our military position in Egypt is now under examination in the light of recommendations received from the local British Commanders and from His Majesty's Ambassador in Cairo. As I hope that this examination may lead to an adequate accretion of strength in Egypt, I do not think it necessary to comment here upon the estimate in paragraph 6 of the forces required in Egypt and the Sudan.

The Position of the Soviet Union

3. I agree with the view expressed in paragraph 40 that the Soviet Government are unlikely to intervene in any war unless their interests are directly threatened. The reason for this lies not so much in such deterioration as there may recently have been in the internal situation of the Soviet Union as in the fixed policy of the Soviet Government, which has for some years past been that their general situation would make it unsafe for them to pursue any other policy for years to come. It is unlikely, therefore, that the Soviet Union

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[3] Not printed: see *ibid.*, note 5.

would intervene in a war against Germany unless the States on her western frontier, particularly Poland and Roumania, were also engaged against Germany, and unless she thought that her intervention was necessary to turn the scale against Germany. It is unlikely that Poland or Roumania would be acting against Germany unless both France and Great Britain were already engaged. In such circumstances the advantage to us of Russian intervention might perhaps be greater than the Chiefs of Staff suggest in paragraphs 10–17 of their report. This conclusion is not vitiated by the argument in paragraphs 11 and 16 that Russian intervention might lead to Japanese support for Germany and Italy, since in present circumstances it must be assumed that Japan would intervene against us if she saw any likelihood of our being beaten, irrespective of whether Soviet Russia were engaged or not. On the other hand, it must be remembered that Poland would do her utmost to prevent the use of Polish territory as a battlefield between Germany and Russia, and would need to be in desperate straits before she would allow Russia to use her territory against Germany. This is a consideration which might bring Poland, notwithstanding her alliance with France, to refrain from intervening in a conflict between Germany and the Western Powers.

General Policy

4. In the last sentence of their memorandum the Chiefs of Staff say: 'We cannot, therefore, exaggerate the importance, from the point of view of imperial defence, of any political or international action that can be taken to reduce the numbers of our potential enemies and to gain the support of potential allies.'

5. I agree that one of the objects of our policy must be to gain the support of potential allies. It is of supreme importance to us to maintain a close and confident relationship with the French Government and to co-ordinate our efforts to safeguard the stability of Europe. It is almost of equal importance for us so to conduct our relations with the United States Government that the latter shall raise as few obstacles as possible, in case of grave emergency, either to the use of our naval power in the exercise of economic pressure or, in spite of the present neutrality legislation, to the grant of financial accommodation and the supply of munitions to this country and her allies from the United States. To go still further, it must always be our constant aim in peace-time to increase as far as possible the likelihood of the United States giving us armed support in case of war. These are two of the main objectives of our policy. A third objective is to draw into closer relationship with us those smaller States whose assistance in time of war would not be negligible, but whose support to the other side might be disastrous. Of these may be mentioned Portugal, Greece, Turkey, Yugoslavia, Roumania and Poland. The greatest contribution we can make to the stability and fidelity of those countries is to convince them that we are determined to maintain, and even to accelerate, the tempo of our rearmament; and that we intend to continue—so far as we can—to play our due part as a member of the European community.

6. The Chiefs of Staff also rightly emphasise the importance of doing what

we can to reduce the number of our potential enemies. It has been, and still is the policy of His Majesty's Government to do their best to remove outstanding causes of friction between themselves and the three States which have recently associated themselves in a pact, the ostensible purpose of which is common resistance to the spread of communism, but which would undoubtedly be used by the three parties, acting in conjunction, as a diplomatic instrument for the achievement of their own expansionist aims. There is no reason why contacts should not be maintained between His Majesty's Government and the three Governments in question, and why, in spite of the fundamental divergence that exists between these three Governments and ourselves as to the principles of international conduct, His Majesty's Government should not try to seek a settlement of outstanding issues and the establishment of harmonious relations, if such is possible. But it would, I think, be a mistake to try to detach any one member of the German-Italian-Japanese *bloc* by offers of support or acquiescence in the fulfilment of their aims. The aims of all three Powers are in varying degrees inimical to British interests, and a surrender to one might well be the signal for further concerted action on the part of all three Powers to secure further sacrifices from ourselves. I do not say that we and our potential allies and associates are necessarily in a position to prevent the attainment of the aims of Germany, Italy and Japan, or some of them, if these three Powers are prepared to work together in order to achieve them. We may, indeed have to acquiesce perforce in more than one *fait accompli*. But it would I repeat, be, in my view, a mistake in the present tense state of Europe to risk opening the floodgates of territorial change by open and express acquiescence in German, Italian or Japanese expansion before it occurs.

7. It would be safer, and more in accordance with our honour and our interests, to tolerate, for the time being at any rate, the present state of armed truce, unsatisfactory as it may be, and to trust that our own armed strength and that of our associates on the one side, and the natural hesitations and potential divergences of interest on the part of the three aggressive Powers on the other (which we would, of course, exploit whenever occasion offered), will maintain some kind of equilibrium and make it possible for international differences, as they arise, to be settled without war. In fact, in present circumstances, our best course is likely to [be] the unheroic policy of so-called 'cunctation.' For periods in the past, Europe has managed to exist, under armed truce, without a general settlement, but without war. If this is the best we can hope for, for some time to come, this is in some measure the price which we and other members of the League have to pay for our inability effectively to assert the principles of international order against the aggressor States since 1931.[4]

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[4] This paper and No. 316 were considered by the C.I.D. at their 303rd meeting on December 1, and by the Cabinet on December 8: see No. 378 below.

No. 349

Letter[1] *from Mr. N. Chamberlain to Miss Ida Chamberlain*

WESTBOURNE, EDGBASTON, BIRMINGHAM, *November 26, 1937*

My dear Ida,

As you see I have got down here, but alone, as I had to leave Annie[2] in bed with an awful bronchial cold and cough. She has telephoned to say she is better but it was out of the question to travel.

With several of the household also afflicted with colds I was afraid I should be for it myself and now I have got it, but so far it is not on my chest and I only have the inconvenience and discomfort of continual coughing and nose blowing. I hope it will just take the normal course and that I shall have recovered by the time the French Ministers arrive on Monday.[3]

It appears that Chautemps is very anxious to see me and that he has said that he finds the British Prime Minister's attitude and policy much more to his taste than that of some of his colleagues (?Blum). On my part I was delighted to have an opportunity of seeing him and exchanging views because on receiving Halifax's report[4] I had arrived at the conclusion that the next step must be consultation with the French.

The German visit was from my point of view a great success because it achieved its object, that of creating an atmosphere in which it was possible to discuss with Germany the practical questions involved in a European settlement.

It was no part of my plan that we should make or receive any offer. What I wanted H[alifax] to do was to convince Hitler of our sincerity and to ascertain what objectives he had in mind and I think both of these objects have been achieved. Both Hitler and Goering said repeatedly and emphatically that they had no desire or intention of making war and I think we may take this as correct at any rate for the present. Of course they want to dominate Eastern Europe; they want as close a union with Austria as they can get without incorporating her in the Reich and they want much the same things for the *Sudetendeutsche* as we did for the Uitlanders in the Transvaal.

They want Togoland and Kameruns. I am not quite sure where they stand about S.W. Africa, but they will not insist on Tanganyika if they can be given some reasonably equivalent territory of the W. coast possibly to be carved out of Belgian Congo and Angola. I think they would be prepared to come back to the League if it were shorn of its compulsory powers now clearly shown to be ineffective and though Hitler was rather non-committal about disarmament he did declare himself in favour of the abolition of bombing aeroplanes.

Now here it seems to me is a fair basis of discussion though no doubt all these points bristle with difficulties.

But I don't see why we shouldn't say to Germany, give us satisfactory assurances that you won't use force to deal with the Austrians and Czecho-Slovakians and we will give you similar assurances that we won't use force to prevent the changes you want if you can get them by peaceful means.

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[1] From the private papers of Neville Chamberlain in the University of Birmingham Library. Extracts from this letter are printed in Feiling, *op. cit.*, pp. 332–3.

[2] i.e. Mrs. Neville Chamberlain.

[3] See Nos. 341 and 346.

[4] No. 336.

I have no doubt that Portugal would strongly object to parting with any territory but it is worth seeing whether in a conference of African Powers we could not arrive at such readjustments as would satisfy the Germans compensating the Powers which surrendered territories by money or territory elsewhere. Or as an alternative we might discuss the possibility of an international chartered company in which Germany might hold the controlling shares with such safeguards for the population as could be agreed on.

I myself have for some time held the view that the League would exercise a far greater influence if it were not expected to use force but only moral pressure. We might then get the membership enlarged and though I don't suppose U.S.A. would come in she would look upon it with a far more benevolent and sympathetic eye.

As for disarmament I believe we should do much better if we tried for qualitative rather than quantitative restrictions on material. An agreement to do away with tanks and aeroplanes over a certain weight or guns over a certain calibre on the lines of the Washington naval agreement would be easier to achieve and to supervise than any limitation of numbers.

In short I see clearly enough the lines on which we should aim at progress but the time required to arrive at satisfactory conclusions will be long and we must expect setbacks. All the same the obstacles don't look insuperable provided the press and the House will abstain from badgering us to reveal exactly how far we have got or what we are proposing to do next. Meanwhile the atmosphere in Berlin is decidedly clearer and even Goebbels has promised to be a better boy in future . . .[5]

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[5] See No. 346. The rest of this letter dealt with personal and domestic matters and has not been printed here.

No. 350

Sir M. Lampson (Cairo) to Mr. Eden (Received December 7)

No. 1376 [*R 8100/1/22*]

CAIRO, *November 27, 1937*

Sir,

Although the Anglo-Italian conversations are hanging fire, His Majesty's Government are doubtless still considering the possibility of some accord with Italy and this possibility has naturally been one of the factors in my mind during the discussion of measures to meet the Italian menace in Egypt upon which I have been engaged since my return on November 1st. It may therefore be in order to submit certain observations on an eventual Anglo-Italian agreement as seen from the eastern end of the Mediterranean.

2. It is hardly necessary to call attention to the radical change in the situation as regards Egypt and the Near East which has resulted from the Italian conquest of Abyssinia. Formerly, the Italians in Libya constituted no special menace, but now we have, on the one side, a formidable fighting force stationed in those territories, while, on the other side, Eritrea, Italian Somaliland and Abyssinia are being consolidated in such a way as to constitute a serious threat to the Suez Canal route where it passes through the southern end of the Red Sea, and to the Sudan. In fact, the Italians are on their way to obtaining a pincer-like hold over Egypt, the Sudan and the Red Sea while our policy in Palestine bids fair to facilitate their penetration in the Arab world and thus to provide them with the necessary grip to bring the horns of the pincers together.

3. In the case of Abyssinia, we were opposing Italy for the sake of a principle and not in our own direct material interest. But, as I pointed out in my telegram No. 52 (Saving) of May 22nd,[1] it is difficult to conceive any further Italian expansionist move which would not clash, not merely with League principles, but with our own direct interests. On an earlier occasion, namely in my despatch No. 1385 of December 18th, 1936,[2] I expressed my conviction that we were approaching the parting of the ways with Italy and that there seemed only two alternatives: (a) some arrangement with Italy which would definitely check her expansion at the southern end of the Red Sea and prevent this threat to our interests, or (b) a trial of strength. We are still, to my mind, faced with these two alternatives.

4. It is natural that we should exert every reasonable effort to avoid a clash and should seek at least to delay it by some understanding with Italy. But I continue to wonder whether a substantial basis for any effective agreement exists *at present* and whether there is not a danger of merely making things easier for Italy by coming to an agreement with her and enabling her to complete at leisure her stranglehold of our communications in the Mediterranean and the Red Sea, while obtaining for ourselves only indefinite and temporary advantages.

5. The analogy of the Anglo-French Entente of 1904 naturally springs to the mind, but the value of that entente lay in the fact that it had a substantial basis and brought real advantages to both parties. If it left France with a free hand in Morocco, it gave us definitely a free hand in Egypt. It was a practical instrument because it fulfilled our strategic requirements, consolidating as it did our position on the Suez Canal and rendering harmless the African coastal regions along the Straits of Gibraltar.

6. The recognition of the Italian conquest of Abyssinia would be a step of very great importance in the eyes, not only of Italy, but of those who looked upon the Abyssinian war as a trial of strength between ourselves and Italy, with an important principle at stake. It may be judged necessary, on grounds of high policy, to take that step despite the principle involved, but such action cannot fail to appear, in this part of the world, as a victory for Italy, unless it is

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[1] Volume XVIII, No. 529.

[2] Not printed.

part of a comprehensive settlement which clearly strengthens the position of Great Britain and brings with it a genuine prospect of lasting peace.

7. In my telegram No. 289 of April 30th,[3] I urged that, if recognition were decided upon, we should drive as hard a bargain as we could. But in indicating some of the things that the bargain might include—Lake Tsana, a rectification of the Sudan-Abyssinian frontier, and assurances for the cessation of Italian anti-British propaganda and policy in the Near East—I feel now, after more mature reflection, that I did not go far enough. Assurances about propaganda are of doubtful value and I should personally have little faith in them. My latest information about Lake Tsana goes to show that an agreement with Italy on that subject would be of little advantage to us and might have some disadvantages; while the Sudan frontier and other similar points which have also been suggested—i.e. the Kenya frontier and tribal rights—are comparatively minor matters. Recognition at the price of these things would bring us inadequate advantage. So far as the Near East is concerned, it would certainly be regarded as an Italian victory. Nor do I feel that it would lead to the abandonment of Signor Mussolini's imperial policy. Its effect is more likely to be to lull the British people into a sense of false security, while giving the Italians a breathing space in which to gain strength and perfect their organisation for some fresh *coup*. I am much impressed by the warning contained in Mr. Ingram's despatch No. 712E of August 16th,[4] that a *détente* between Italy and Great Britain may spell economic and political advantages to Italy out of all proportion to our own gains. In short, something more fundamental is required than has so far—to the best of my knowledge—been considered.

8. It may well be, as is sometimes stated, that Italy's strategic position is fundamentally weak, what with the vulnerability of the Italian peninsula itself and the dispersion of Italian forces in Libya and East Africa. It may be true also that her financial position is unsound and that she is at present inadequately supplied with oil for a sustained individual effort against ourselves. These factors might, in the long run, induce Italy to pay a substantial price for a genuine agreement with us, but I submit that they will not deter Signor Mussolini so long as he can count on Germany and Japan to create diversions elsewhere, if not to give active help; and that, in such circumstances,—and more particularly if the Arab world were against us—war with us would not be such a gamble as it may appear. If for any reason the participation of France on the side of Great Britain were in doubt, e.g. owing to French internal troubles, the chances of such a gamble would be increased.

9. My own feeling remains—I regret infinitely to have to record it—that, with Signor Mussolini in his present expansionist frame of mind, a clash with Italy sooner or later is inevitable, *unless our own rearmament or the realisation that he cannot count on Germany convince him of the necessity of coming to terms*. I do not believe that he will be stopped by a mere palliative such as the recognition of Abyssinia: on the contrary, such a palliative seems more likely to give him

[3] Volume XVIII, No. 451.

[4] No. 93.

fresh life. I trust, therefore, I shall not be dubbed an obstructionist if I advise that, for the sake of any mere temporary or minor advantages, we should not accept an illusory truce damaging to our prestige, and that any agreement with him should be one which promises to stop his course effectively.

10. Exactly what type of agreement would have that effect I admit that I am entirely at a loss to suggest, for my own belief is that nothing short of defeat or a different alignment of the great Powers will stop Signor Mussolini. I realise, however, that it is essential to try out everything *reasonably* possible, and I suggest consideration of the question whether a substantial basis can be found, to the real benefit of British interests, for a lasting agreement with Italy on the analogy of the Anglo-French entente of 1904. I have underlined the word 'reasonable' and by that I mean that we should not agree to anything which strengthens Italy without strengthening ourselves sufficiciently to keep Signor Mussolini in his place.

11. But it is, I submit, increasingly clear that the chances of an Italian gamble can best be decreased by an understanding between Great Britain and Germany. I am more and more convinced as time goes on that the detachment of Berlin rather than the attachment of Rome is the key to our present troubles. While fully realising the difficulties of an understanding with Germany and the fact that the German price is apt to rise, I do not believe that Germany, properly treated, is necessarily a real international danger. I reluctantly record my opinion that Italy is.[5]

I have, etc.,
MILES W. LAMPSON

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[5] Mr. Ingram commented on this despatch in a long minute of December 16, agreed with the Southern Department and Sir O. Sargent. He remarked that the views put forward by Sir M. Lampson were not new, and had been embodied by Mr. O'Malley in the memorandum of June 15 on 'The Probability of War with Italy' (see Volume XVIII, No. 615). He referred to the conclusion of the Cabinet of July 8 that 'the Cabinet agreed in the Prime Minister's proposal that the best way of countering the disquieting attitude of the Italian Government was to cultivate better relations with the German Government' (No. 24). He thought, however, that 'perhaps Sir M. Lampson, with his eyes fixed on the "Italian Danger" is not fully conscious of the difficulties and delays inherent in a German settlement. These difficulties and delays definitely rule it out as a practical means of conjuring the Italian danger, since the latter, according to Sir Miles, is already with us and must be faced *at once*.' He questioned also Sir M. Lampson's view that 'the detachment of Berlin rather than the attachment of Rome is the key to our present troubles . . . Our object is, as the Prime Minister stated the other day, to reach a basis of friendly understanding with both Powers.' He concluded by questioning Sir M. Lampson's view that an Anglo-Italian truce would be 'illusory'. The so-called truce would have 'the immense advantage of permitting us in the meanwhile to proceed as fast as possible with our rearmament programme'.

Mr. Eden commented as follows. 'The improvement of relations with Germany is less easy than it seems to Sir M. Lampson, who has [?is] naturally preoccupied with the aggressive intentions of "dictator minor". Personally I agree with Sir M. Lampson's analysis of Italian policy & with his views as to the recognition of Abyssinia . . . A.E. Dec. 18.'

No. 351

Sir P. Loraine[1] *(Angora) to Mr. Eden (Received November 30, 9.30 a.m.)*

No. 172 Telegraphic [*R* 7945/1/22]

Immediate Confidential ANGORA, *November 29, 1937, 11.23 p.m.*

Turkish Minister for Foreign Affairs in discussing with me privately when I last saw him possibilities of imminent visit to Rome of Yugoslavian Prime Minister, reverted to one of his favourite subjects—position in the Mediterranean and the chances of its stabilisation.

He again mentioned conversation he had had with you in Geneva last September,[2] reiterated his previously expressed regret that nothing had come as yet of your suggestion to confirm and may be even enlarge gentleman's agreement with Italy, and said he felt quite certain that the Yugoslav Government no less than the Turkish Government were entirely willing to second any efforts undertaken for that purpose by His Majesty's Government in so far as their means permitted, and their co-operation might be regarded by you as useful.

It was possible though not certain that subject would be broached in Monsieur Stoyadinovitch's forthcoming conversation in Rome. Of one thing you could be positively certain, that the Mediterranean partners in the Balkan Entente would never accept to treat this matter with Italy except in close conjunction with and full aproval of His Majesty's Government. As a detail he remarked that if the subject were broached in Rome, Monsieur Stoyadinovitch would for tactical purposes be well advised (which probably means that he himself will advise Monsieur Stoyadinovitch in that sense) not to allude to France in connexion with a possible Mediterranean settlement. For one thing, such an allusion might in the present circumstances render things more difficult with the Italians; for another thing, France would presumably have to be brought into the matter as it was unthinkable that His Majesty's Government would wish her to be excluded; lastly because the French element in the Mediterranean hardly concerned Yugoslavia directly.

His Excellency went on to say that much as the Turkish Government would like to see a Mediterranean settlement principally as between the United Kingdom and Italy and presumably comprising assurances about the Red Sea, they did not believe their troubles would end there, albeit they would be tolerable . . .[3] a different form. He wished, by saying this, to make it plain to you that the present position so long as it was tolerable to His Majesty's Government was equally tolerable to Turkey who only wished you to call on her modest co-operation at the time and in the manner you thought best.

What he foresaw, postulating a settlement to which the United Kingdom and Italy were principal parties, was that France would have secured, under the wing of the United Kingdom all security that she needed both as regards her communications with Africa and in other respects and would to that extent be liberated from necessity of consulting British interests in the Mediterranean as closely as she needed to do now. Effect, he believed, would be that France would draw closer to Italy, that school of thought of Monsieur Laval[4] of holding an uncomfortable balance between friendship with England and friendship with Italy would be speedily and harmfully revived and that a by-product of this situation would be a 'ghastly offensive of friendship' towards Turkey and her Balkan partners which would place Turkey and her friends in a difficult and unwelcome position. He foresaw that France for purposes of her policy in eastern Mediterranean would then give priority to her ties of friendship with Italy over her ties of friendship with England.[5]

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[1] H.M. Ambassador at Angora.

[2] See No. 110, note 2.

[3] The text was here uncertain.

Repeated to Rome.

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[4] Former French President of the Council, and Foreign Minister 1934–36.

[5] In an undated minute written across the top of the filed copy of this telegram, Sir R. Vansittart wrote: 'M. Aras is beginning to talk a great deal of nonsense.' Sir P. Loraine should, he thought, be told that he need not bother to put this kind of thing in telegrams. 'It is quite enough if he reports this sort of thing in a despatch or rather in a private letter; for Dr. Aras' speculations in this instance particularly his concluding observations are sheer nonsense. Say so plainly.' Foreign Office telegram No. 123 to Angora of December 1 recommended that M. Aras' more speculative conversations should be reported by despatch, and added that 'the expression by him of opinions so wide of any mark can only damage the esteem in which he is held in London'.

No. 352

Note[1] *for the Secretary of State on Anglo-Italian conversations, for use in talk with French Ministers*

[*R 7975/1/22*]

FOREIGN OFFICE, *November 29, 1937*

On October 1 we instructed Lord Perth to suggest to the Italian Government that while, for obvious reasons, it would be impossible to discuss anything connected with Abyssinia, there were other subjects of mutual interest which might be examined by the two Governments.[2] On their side the Italian Government had expressed a desire for the exchange of military information in the Mediterranean area. We on our side would like to raise such questions as

Italian propaganda in the Near and Middle East;
Recent reinforcement of Libyan garrison;
Position in Red Sea and adjoining territories.

Lord Perth left an aide-mémoire embodying these suggestions.

It was also our intention that in the course of the conversations such questions as Italy's adhesion to the Naval Treaty should be raised and the problem of Austria touched on.

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[1] Prepared for Mr. Eden by the Southern Department.

[2] See No. 217.

2. At the same time His Majesty's Government, in concert with the French Government, were suggesting to the Italian Government[3] the desirability of a full and frank discussion of the Spanish situation by the three Powers, Italy, France and the United Kingdom; and it was represented to the Italian Government that if such a tripartite discussion were initiated and progress were made in regard to the Spanish situation, the atmosphere for the Anglo-Italian conversations would be improved and the prospect of their successful outcome enhanced.

3. Count Ciano was not slow to mark the emphasis laid by His Majesty's Government on the virtual interdependence of these two questions, and while he then refused the idea of tripartite conversations on Spain and insisted on the Spanish question continuing to be dealt with by the Non-Intervention Committee, he has returned up till now no reply to Lord Perth's aide-mémoire, and His Majesty's Government are still without any official reply.

4. On the other hand, progress on the Spanish question to which, it must be admitted, the Italian attitude has contributed, has in the meantime been registered in the Non-Intervention Committee. Moreover, both on October 16th, when Count Ciano told Lord Perth that he shared the latter's desire to start the Anglo-Italian conversations,[4] and on November 10th when Signor Mussolini responded to the Prime Minister's reference in his Guildhall speech[5] to Italy by saying that 'in Rome circles . . . it is thought that there ought to be no further delay in entering upon conversations and coming to conclusions by normal diplomatic channels',[6] clear indications were given of the Italian desire that the conversations should begin.

5. There are several considerations which seem to His Majesty's Government to make it desirable to avoid any further delay in trying to improve their relations with Italy. Among these considerations are the following:

(a) the longer there is tension between Great Britain and Italy, the more necessary to Rome becomes the maintenance of the Berlin-Rome axis, and the greater will be her effort to consolidate it, even at the cost of abandoning Austria and Central Europe to Germany;

(b) the more we put off taking active steps to improve our relations, the more do Italian feelings of fear, suspicion, resentment and animosity become crystallized, and the more difficult is the task of ultimate improvement;

(c) the longer the improvement is delayed, the more intense becomes Italian anti-British propaganda, particularly in the Near and Middle East;

(d) once Italy's fears regarding British hostility are allayed, she will feel less need to buy German support at the cost of sacrificing her interests in the maintenance of the status quo in Central Europe, and especially in Austria.

6. For these reasons His Majesty's Government contemplate instructing

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[3] See No. 216.

[4] See No. 251.

[5] See No. 307, note 2.

[6] See No. 308.

Lord Perth to enquire of Count Ciano whether he is prepared to enter into a discussion of the subjects mentioned in paragraph 1 and set forth in the aide-mémoire left with him at the beginning of October. Should Count Ciano be prepared to do so, the conversations would be initiated, but it would be made clear from the outset that during their course nothing must be said in or done by Italy to antagonise British opinion—otherwise it would be impossible to pursue them to a successful conclusion. We would continue to urge, as we have in the past, the desirability of the Italian Government cultivating better relations with France.

No. 353

Sir N. Henderson (Berlin) to Mr. Eden (Received December 3)

No. 1060 [*C 8311/270/18*]

BERLIN, *November 29, 1937*

Sir,

Since the departure of Lord Halifax from Berlin,[1] German newspaper comment on the results of his visit has been strictly limited. Strictly in the sense that orders were specifically issued that nothing should be said to prejudice the possibility of the visit leading to better relations between Great Britain and Germany. With the exception of sympathetic but quite anodyne references, nothing of any importance may be said to have been, in fact, published here on the subject except by way of retort to the speculations which have appeared in such English newspapers as the *Evening Standard*, *Manchester Guardian*, *Yorkshire Post*, *Daily Herald* etc.

2. As you will have read in the record (enclosed in my despatch No. 1041 of the 23rd November)[2] of Lord Halifax's conversation with Dr. Goebbels, the latter personally guaranteed that, provided the British press avoided Germany's sore spots, he would see to it that the German Press would abstain from touching upon the sore points of England. I believe that Dr. Goebbels desires to keep to this bargain, and I regard it as of the utmost importance that we should do what we can to enable him to do so. It is not necessary for me to enlarge on the difficulties from the British side. They are even more obvious to you: the complete freedom of the Press in England, our very different respective standard of values, the vulnerability of Hitler's position as compared with that of our Crown etc; not to mention the fact that the German's inferiority complex provides him with a skin on which it is hard to find a spot which is not sore.

3. Nevertheless, admitting all this, I would earnestly beg that nothing should be left undone which might prevent gratuitous and unnecessary, as well as ill-informed irritation to Germany in the British Press. Abuse, particularly if it is merely ideological or simply unfair, is a boomerang and its effect is often not only useless but positively prejudicial to the abuser. Two

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[1] On November 21.

[2] No. 343.

years ago, I doubt if a single voice would have been raised here against good relations with England. Today, this is certainly not the case: for the past eighteen months the attitude of the German Press has steadily deteriorated in the direction of representing that England is *the* enemy. Every form of propaganda has been employed to spread this doctrine and the effect, especially perhaps among the receptive youth of the German nation, has been deep and wide. I should not like to express a dogmatic opinion as to how deep it has gone. Possibly not very far as yet; nevertheless an immense amount of harm has been done and it is obviously extremely desirable that it should go no further.

4. I do not wish to argue that the kettle is black only on one side, though it would be difficult to prove that it was not the British Press which began it. But that is not the point. If the door which Lord Halifax has opened is to be kept ajar, something must be done to prevent the Press from slamming it to again.

5. Dr. Goebbels has proved, recently at any rate, that he is amenable to reason. Ever since I made my appeal to him on the eve of Lord Halifax's visit to refrain from anti-British Press attacks, none such have appeared except so far as retorts to British journalism are concerned. There have, in fact, of late been quite a number of independently sympathetic articles towards England. It is along these lines that I submit that the question should be tackled. Dr. Goebbels pleaded for closer co-operation between himself and me in Berlin and between the German Ambassador and the Foreign Office in London. My own task in this respect should not be a very difficult one. I have no fault to find with the British correspondents at Berlin nor, so far as I know, since Mr. Ebbutt of the *Times* has gone,[3] has the German Press Bureau any valid cause to do so. Herr von Ribbentrop's job would be much less enviable and a matter of incessant trouble to the Foreign Office. Nevertheless, I still think that advantage should be taken of Dr. Goebbels' offer and that the German Ambassador be informed that any complaints which he may make to the Foreign Office as regards the British Press will be sympathetically received. I could at the same time be instructed so to notify Dr. Goebbels and to express my willingness to keep in the closest personal touch with him on all matters concerning the Press.

6. As was clear from Dr. Goebbels' language to Lord Halifax, he himself is quite alive to our difficulties, more so probably than some of his collaborators whose zeal is yet likely to give me trouble. But such protests as I may have to make will be useless if I cannot point at least to some amelioration in the understanding of the British Press towards German problems.

7. Humanly speaking, I have no hesitation in asserting that the Nazi form of Government and administration in Germany has come to stay. It may be relaxed, but it will not greatly be modified in our generation. It may not have been devised out of altruistic motives or for international benefit but it has rendered incalculable services to Germany, such as none but the most recalcitrant non-nazi even wishes to deny. The day for British curtain lectures is over and persistence in them only rouses resentment and a corresponding

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[3] Cf. No. 97.

persistence in the theory that Germany's chief enemy is England and in the slogan 'Delenda est Britannia'.[4]

I have, etc.,
NEVILE HENDERSON

[4] Among minutes commenting on this despatch was the following by Mr. R. A. Leeper, dated December 9. 'Dr. Goebbels asks for a lot. What he really wants is the suppression of Low's cartoons about Hitler. That is what the Germans mind most. Low himself is not likely to prove amenable to any arguments. It is really a matter for his employer Lord Beaverbrook and if Lord B. were to let him go (which I think most unlikely) would not somebody else snap him up? All this seems to me dangerous ground.

Heads of States who are also active politicians cannot hope to escape political criticism whenever there is a free press. Germany is by no means the only instance of this, but Germany is far and away the most striking one. Hitler is news in the same way as Mussolini & the distinction made by Dr. Goebbels will in my opinion never be accepted here. Personally I would not feel justified in advising either the Sec. of State or the P.M. to take up this question with the press. If we attempted it in the case of Germany other Embassies would come to us and insist on equal treatment. It would be admitting that we could control the press and that might extend very far & become very dangerous.' See No. 411 below.

No. 354

Record[1] of conversations between British and French Ministers held at No. 10 Downing Street on November 29 and 30, 1937

[C 8234/270/18]

PRESENT: *United Kingdom:* Mr. Neville Chamberlain, Lord Halifax, Mr. Eden, Sir R. Vansittart, Sir O. Sargent, Mr. Strang.
France: M. Camille Chautemps, M. Yvon Delbos, M. Corbin, M. Alexis Léger, M. René Massigli, M. de Margerie.

FIRST MEETING, NOVEMBER 29, 11 A.M.

Preliminary

MR. CHAMBERLAIN said that he proposed to open proceedings by asking Lord Halifax to give an account of his visit to Germany.

He would, however, make a few preliminary remarks. His Majesty's Government had long felt the difficulty of dealing with the totalitarian States. It was the habit of dictators to shut themselves up, and His Majesty's Government were anxious to have some not too conspicuous opportunity of making contact with Herr Hitler. By a happy accident, Lord Halifax, in his character as a sportsman, had been invited to the Hunting Exhibition in Berlin.[2] This gave His Majesty's Government the opportunity they had been waiting for. Owing to a leakage of information, the visit had in the end not appeared so accidental. Enquiries were made, and Herr Hitler intimated that he would be pleased to see Lord Halifax. During his visit Lord Halifax had conversations not only with Herr Hitler, but also with General Göring, Dr. Goebbels, Dr. Schacht, and Field-Marshal von Blomberg.[3]

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[1] A note on the file by Sir O. Sargent stated that these notes were 'not an agreed record, but only our view of what passed'. They do nevertheless correspond closely with the French record in *D.D.F.*, *op. cit.*, No. 287: a copy of the French record is also filed at C 8714/270/18. The version printed here follows the text of the original record prepared for the Confidential Print.

[2] See No. 246.

Lord Halifax's statement would be as complete and frank as possible.

Finally, Mr. Chamberlain asked that, as the information which Lord Halifax was about to give had not been given to the House of Commons, it should be regarded as completely confidential.

M. **CHAUTEMPS** said that he and M. Delbos had much appreciated His Majesty's Government's invitation, and had been touched by their welcome. A meeting between French and British Ministers was most desirable at the present moment, as it would mark the confidence that existed between the two Governments and would be an affirmation of the solidarity and community of view between France and the United Kingdom that was so necessary for peace. Both he and M. Delbos had been advertised in the British press as sportsmen, and they were therefore well qualified to understand the genesis of Lord Halifax's visit.

Lord Halifax's Visit

LORD HALIFAX said that he would, as suggested, do his best to speak frankly and to discuss his visit in complete confidence.

He proposed first to treat the various topics that arose during his conversation, and then to add his own personal impressions.

The matters discussed fall naturally into three groups:

(1) Central and Eastern Europe.
(2) German attitude to the League of Nations and Disarmament.
(3) The Colonial Question.

To some extent these questions were inter-connected, but he would try to deal with them separately. He would begin with Central Europe.

Central Europe

As regards this, the line he took with Herr Hitler was to say that the attitude of His Majesty's Government was not to stand rigidly in all circumstances on the status quo. No reasonable man could expect the world to remain for ever in the same condition. But His Majesty's Government and other Governments were concerned to see that if adjustments were made, the form and means of those adjustments should not be such as to involve ugly consequences for Europe and the world.

To this argument Herr Hitler had replied that, as regards Austria, Germany had the agreement of the 11th July,[4] which she had observed and intended to observe.

As regards Czechoslovakia, Herr Hitler made two statements, or rather one statement which appeared in different forms in Lord Halifax's own notes and in the notes supplied to him afterwards by the interpreter. The notes supplied to him by the interpreter had been built up on the notes he had jotted down during the interview; they were not official, but had been seen by Baron von Neurath before they were sent to him.

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[3] See No. 336.

[4] See Volume XVI, No. 436, note 4.

According to Lord Halifax's own notes, Herr Hitler said that, as regards Czechoslovakia, he hoped that the reasonable elements in that country would make it possible for the *Sudetendeutschen* to enjoy a status which would safeguard their position. According to the interpreter's notes, Herr Hitler said that Czechoslovakia was herself in a position to clear away existing difficulties. She only needed to treat the Germans living within her borders well and they would be entirely happy. Germany herself set great store by good relations with all her neighbours.

While discussing these things, Herr Hitler said that it was desirable to get away from the atmosphere of 'imminent catastrophe.' If one believed what one read in the newspapers, one might expect to find German forces in Vienna or Prague next week. In the same way, 20,000 Germans had been reported as having landed in Morocco, when, in fact, there were none.[5] Herr Hitler emphasised that he did not consider Europe to be in a politically dangerous state.

During his conversation with General Göring, the General said that he thought that it should be recognised that Germany was entitled to have special spheres of influence in Europe; and that it would be unreasonable for France and Great Britain to block any agreements Germany might reach with her neighbours. To this Lord Halifax replied that, so far as His Majesty's Government were concerned, and he imagined the same was true of France, there was no intention to block agreements freely reached, but that we were concerned that matters should not be so handled as to involve dangerous and far-reaching consequences.

During the conversation with Field-Marshal von Blomberg, the latter stated that the vital questions for Germany, with her expanding population and situated as she was in the middle of Europe, were those which concerned Central and Eastern Europe. Just as France had her position in Western Europe and the Mediterranean, so Germany was entitled to a similar position in Central Europe.

That, apart from Lord Halifax's own impressions, was all he had to report as regards Austria and Czechoslovakia. Danzig and Memel were not seriously discussed.

League of Nations

As regards the League of Nations, Herr Hitler said that there was no question of Germany's return in present circumstances. This was not a question to which a reply could be given at present. In any event, Germany would never return to a League constituted and functioning as at present.

It was evident to Lord Halifax that the League appeared to Herr Hitler as an instrument for the preservation of the status quo. It was also, in Herr

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[5] Cf. Volume XVIII, Nos. 35, 36, 38, 42, 46, 48, 49.

Hitler's eyes, unreal for the representatives of great and small States to sit side by side and to give the appearance of being free and equal.

Disarmament

As regards disarmament, Herr Hitler said with some bitterness that every offer he had made had been refused, and that constant opportunities of progress had been missed. He was regarded as the black sheep of Europe. No offer that he made was ever treated on its merits.

To this Lord Halifax replied that the German offers had not been rejected because of the hostile influence of political parties or newspapers as Herr Hitler had suggested; but because Herr Hitler, for reasons which had seemed good to him, but which Lord Halifax would not now discuss, had violated a number of treaty engagements. It was this that made other Governments look jealously at anything that Germany proposed.

According to the record by the German interpreter, Herr Hitler (though Lord Halifax had missed this in his own record made before he had seen the record of the German interpreter) stated that he still thought it desirable to abolish bombing aeroplanes.

On the general question of disarmament, Herr Hitler asked who was to bring the question forward and how, confessing that he himself did not know.

Colonies

As regards colonies, the general line taken by the Chancellor was one with which we were familiar, namely, that it was unreasonable that Germany should be thought unworthy to have colonies; that a good many other countries had a good many colonies, and why not Germany also?

The Chancellor said that the colonial question was the only direct issue between Great Britain and Germany. He hoped that His Majesty's Government would be able, in consultation with the French Government, to propose a solution of the matter. If the question was settled, well and good; he would be much pleased, and this would help the relations between the United Kingdom and Germany. If the question were not settled, he would note it and regret it.

The Chancellor added—and this was as near as he got to a definition of what he had in his own mind—that if there were any colony which, for strategic reasons, we did not wish to give up, we might propose some other territory in compensation. He made it clear that he did not want any colony which would be a source of strategic trouble; nor a colony in the Sahara, nor in the Mediterranean (that would be dangerous), nor in the Far East (where the guns were already going off).

What General Göring said about colonies was that this was the chief issue between Great Britain and Germany; but he recognised that so far as Great Britain was concerned, the only colonies in question were Tanganyika and the British parts of Togoland and the Cameroons, and that there were special difficulties about Tanganyika. Nevertheless, he thought the problem could be solved without great difficulty.

Lord Halifax's general conclusion from these conversations was that, in the German view, it was now for Great Britain and France to propose a solution of the colonial question if they wanted one.

M. **Delbos** asked whether the conversations proceeded on the assumption that France and Great Britain should make proposals only on the basis of the German demand, or whether they should be made on the basis of more general considerations.

Lord Halifax said that the question, as put from the German side, seemed to be that France and Great Britain ought to make a contribution towards meeting Germany's just claims. Lord Halifax had replied that he could only speak for His Majesty's Government, but so far as His Majesty's Government were concerned, it would be impossible for this or any other Government to deal with the colonial question in isolation. If there were to be any solution, it could only be as part of a general settlement, based on contributions from everyone concerned in the interest of European appeasement.

Mr. Chamberlain thought it would be true to say, with reference to M. Delbos' question, that Germany thought that all her former African colonies should be restored; but that if there were difficulties about any particular colony, she was ready to consider territorial compensation elsewhere.

Lord Halifax agreed.

M. **Delbos** asked whether, apart from the question of a general settlement, Lord Halifax had the impression that Germany looked at the colonial question in its territorial aspect only, and set aside all alternative suggestions such, for example, as economic concessions or chartered companies.

Lord Halifax said he would come to that when he reported on his conversations with Dr. Schacht.

He thought it true to say that both Herr Hitler and General Göring contemplated a definitive return of territories, either the original territories themselves or other territories in substitution.

Lord Halifax was not sure what Dr. Schacht now represented, but he spoke frankly and irresponsibly—no doubt on the strength of his imminent departure from his post.

Dr. Schacht said that Germany did not want the Oceanic Islands or South-West Africa or Samoa. She recognised that there were special difficulties about Tanganyika. There remained the West Coast of Africa. He thought the Cameroons and Togoland could, and should, be returned to Germany; and that, in addition to that, Germany should receive a block made up of parts of Belgian Congo and Angola, under something like a mandate.

Lord Halifax asked Dr. Schacht what he supposed Belgium and Portugal would think about this. Dr. Schacht replied that, as a contribution to world appeasement, they might be persuaded of its wisdom, and that Great Britain might perhaps consider compensating Portugal on the east coast from Tanganyika.

M. **Chautemps** asked whether, in drawing this new map of Africa, Dr. Schacht included the French Congo in his references to the Congo.

LORD HALIFAX said he referred only to Belgian and Portuguese territories. If the French contributed Togoland and the Cameroons, that would be sufficient.

Dr. Schacht had also suggested whether, as M. Delbos had remarked, some international chartered company might be formed.

Dr. Schacht thought the United States might join in, and Germany might have 51 per cent. of the interests. This would make it easier for Portugal and for those who spoke for native interests. In that event Herr Hitler might be willing to give guarantees about black armies and the like.

Personal Impressions

LORD HALIFAX said he would give his personal impressions, subject to the observation that he had been in Germany only three days; that he was not a trained diplomat and might, in consequence, have been deceived; and that the Germans might have meant something different from what they said, or might have changed their minds.

The main impression left with him was that the Germans intended to press their colonial claim, but that they would not press it to the point of war. Unless that claim could be met in some form, it would be impossible to improve relations in such a way as to make an advance towards the object which we all had in view. The question we had to ask ourselves, therefore, was whether it was possible to use this problem as a lever for getting some of the things both the French and British Governments wanted, such, for example, as a contribution by Germany towards European peace. Putting it at the lowest, unless this demand could be met, Germany would probably maintain and extend her nuisance value to us everywhere in the world.

His broad impression was that Germany was extremely anxious for friendly relations with us. The Germans to whom he had spoken were also anxious to convince him that Germany had no direct cause of difficulty with France.

Lord Halifax had said, and Herr Hitler had assented, that His Majesty's Government had no more desire to divide Berlin from Rome than he presumed and hoped the German Government had to divide London from Paris.

At the same time, while he desired to be friendly with us, the Chancellor was not prepared to run after us, and was conscious of his own strength. He was not bent on early adventures, partly because these might be unprofitable, and partly because he was busy building up Germany internally.

As he had said before, Herr Hitler had remarked that he did not think Europe was face to face with imminent catastrophe. In the same way, General Göring had assured him that not one drop of German blood would be shed in Europe unless Germany was absolutely forced to it.

The Germans gave him the impression of being convinced that time was on their side and of intending to achieve their aims in orderly fashion. They were likely, he thought, to persist in any action which might further the achievement of the desired adjustments in comparatively orderly fashion, but not to take any action in any manner that would give other Governments cause to oppose or intervene.

Lord Halifax had suggested at the end of the conversation that His Majesty's Government would welcome a visit from German representatives to discuss all these matters in greater detail. Herr Hitler replied that he did not think conferences were useful unless success was assured. If Baron von Neurath were to come to London now, every German would believe he had been sent to discuss colonies. If he came back without a colony, the situation would be more difficult than before. Herr Hitler hoped, therefore, that the matter could be pursued through the diplomatic channel, and he looked forward to direct discussions later, in which France and Italy would be associated.

M. CHAUTEMPS thanked Lord Halifax for his interesting statement. He would ask one question. He had noted the important statement made by Herr Hitler about Czechoslovakia, though he had also noted that the sense of von Blomberg's remarks on the same subject had been somewhat different. Did Lord Halifax think that Herr Hitler's reassuring words about Czechoslovakia represented German policy, not only at present but as it would be in the future?

LORD HALIFAX said that he was not in any better position to answer that question than anyone else. He had been surprised at the moderation of Herr Hitler's remarks on this point. He could only suppose that the degree of permanence would in part depend on Germany's general international position, and on the influence which we might exercise on the later development of German policy.

M. CHAUTEMPS also wished to ask whether any connexion had been established during Lord Halifax's visit between the colonial question and the Central European question. Was the suggestion that Germany should be given satisfaction in the colonial sphere, in the hope that in other spheres there might be appeasement later; or was it suggested that, in return for satisfaction in the colonial sphere, Germany should give assurances as regards other questions here and now?

LORD HALIFAX replied that, as he had said, Herr Hitler's view was that the colonial question was the only direct issue between Germany and Great Britain. He himself had repeated on other occasions that we could only consider the colonial question as part of a wider set of problems. At the end of the conversation, Herr Hitler had seemed to have in mind some further examination of all these problems through the diplomatic channel, but that it was useless to pursue these matters unless we came forward with concrete proposals on the colonial issue. The connexion between the two problems therefore lay in our hands and would depend on how we handled matters if we got as far as having further conversations.

MR. CHAMBERLAIN said that he would like to say something about the impression made by Lord Halifax's conversations on His Majesty's Government as a whole.

It seemed to His Majesty's Government that the Germans wanted two things, though different Germans laid different emphasis upon them. These were, first, colonies; secondly, assurances about Central and Eastern Europe. If they could get what they required without giving anything for it, that would be for them the best solution. On the other hand, His Majesty's Government were not prepared to open discussions unless the Germans were prepared to discuss the things that His Majesty's Government wanted. These were comprised within the third group of questions, namely, Germany's future relations with the League, and some practical step towards disarmament. If a colony was once given to Germany, it could not be recovered. But assurances given by Germany might easily not be fulfilled. There was therefore not an equality between the two requirements. It was impossible to carry on negotiations without the assumption of some amount of good faith on both sides. If conversations were pursued through the diplomatic channel, we might be able to form a fairly good idea whether we were in the presence of good faith on both sides.

The Germans had seemed to indicate that there was no reason why the two countries should not come to a bi-lateral understanding. That seemed to His Majesty's Government impossible since what was in contemplation was a general European settlement and not merely a separate settlement between Germany and Great Britain. It was for this reason that their first thought was to carry the conversations with Germany no further until they had had a full and confidential discussion with the French Government, to see how far the ideas of the two Governments coincided on the various points at issue.

He suggested that in the present conversations the three groups of questions mentioned above might be taken separately, taking Central and Eastern Europe first, then the Colonies, and then the League of Nations and Disarmament.

M. CHAUTEMPS said that the position, therefore, was that Germany had made what he might call unilateral demands, while His Majesty's Government thought that what was required was a general settlement. It was important for France that His Majesty's Government took this view. France had given the same answer to Germany a year before at the time of Dr. Schacht's conversations with M. Blum. The reply given to Dr. Schacht, after consultation with His Majesty's Government, was that France could do nothing without Great Britain and nothing without a general settlement.

Czechoslovakia

M. DELBOS said that, as regards Czechoslovakia, he had recently received information from a neutral person of the views expressed by German leaders. He had been struck by the resemblance between this information and that given by Lord Halifax. The information was to the effect that Germany was conscious of her strength, and was convinced that time was on her side. She made no secret of her aims and was determined to attain them. So far as Austria was concerned, she considered herself to have undoubted rights and would absorb Austria somehow or other in the near future. In Czechoslovakia, German aims would be achieved by stages, though the final objective was the annexation of the territory inhabited by the Sudeten Germans.

MR. EDEN asked whether M. Delbos's informant said how Germany would proceed with this programme, and did he speak of the Italian attitude as regards the first item, namely, Austria?

M. DELBOS said he did not think that Italy wanted Germany to annex Austria, but there had been a change in the general policy of Italy, which had been dictated by the desire to intimidate the rest of us.

As regards the methods of German expansion he had information from another source. In Austria there would be a plebiscite. In Czechoslovakia there would be the introduction of Ministers with Nazi tendencies, a kind of federalism, a quasi-autonomy of fact, if not of right. This would be followed by autonomy pure and simple, and then by attachment to Germany.

MR. CHAMBERLAIN asked whether this would bring into operation the treaty between France and Czechoslovakia.

M. DELBOS replied that, if there was no act of aggression, the treaty would not come into operation, but if there were risings provoked by Germany and if there were armed intervention by Germany, it was evident that the treaty would apply. In practice, the matter would depend upon the gravity of the facts. The incursion of one or two armed men over the frontier would not necessarily mean aggression. But if the aggression was real, whatever form it took, the treaty would apply.

MR. EDEN thought that it would be well to discuss what the policy should be in the light of M. Delbos's information. We wanted to connect the colonial question with the general European question. We also wanted to declare how we thought the Central European question ought to be raised and what action ought now to be taken in regard to it.

M. DELBOS said that it all depended on Germany. He recalled that, in addition to the Franco-Czech Treaty, there was a treaty of arbitration between Germany and Czechoslovakia, concluded at Locarno at the same time as the other treaties. This treaty of arbitration provided three separate procedures for the settlement of disputes. Nevertheless, Germany was not disposed to have recourse to any of these in her relations with Czechoslovakia.

MR. CHAMBERLAIN asked whether M. Delbos saw any way of preventing German expansion in Central Europe short of using force.

M. DELBOS said he thought that, if the present conversations led to a common effort to promote reasonable and friendly agreement, this would have its effect; and that if, in addition, Great Britain and France manifested their will to impose respect for law, this would make Germany more and more reasonable. There were two possible courses to adopt. One was to let things slide, and the results of that course would be obvious. The other was to interest ourselves in the problem in a spirit of conciliation. If we did this, he did not think the situation was altogether desperate.

MR. CHAMBERLAIN thought there was a good deal in this last suggestion. Germany did not seem to be contemplating the use of force at present, as she recognised that this would plunge us all into chaos. So long as Germany was prepared to use peaceful methods, we could perhaps do something to see that the steps she took were as little objectionable as possible. We might, indeed have some sympathy from Italy, especially as regards Austria.

M. Delbos agreed with the Prime Minister on the last point. The influence of Italy would be useful in safeguarding Austria; but he was afraid Italy was encouraging Germany as regards Czechoslovakia.

Mr. Eden did not think that this would last long.

Was not the position as follows? In the light of the information supplied by Lord Halifax, was there any effort we could make to further an understanding, and to join in an approach to Germany both on the colonial question and on the question of our desiderata for the peace of Europe?

Mr. Chamberlain said he wished to say something about British public opinion which would not be new to his French friends.

There was a strong feeling that we ought not to be entangled in a war on account of Czechoslovakia, which was a long way off and with which we had not a great deal in common. But the public would welcome anything that could be done to bring about a settlement in Central and Eastern Europe. He therefore thought it well to say that he did not think it would be possible to mobilise opinion in England in support of forcible intervention against Germany on behalf of Czechoslovakia. At the same time there would be support for any attempt to bring about a reasonable and peaceful settlement between Germany and Czechoslovakia. People here were of opinion that the Sudeten Germans were not getting fair treatment from the Czechs. The situation was somewhat like that in the Transvaal before the Boer War, when His Majesty's Government made strong and repeated representations to President Kruger on behalf ot the Uitlanders, who were taxed but did not enjoy the ordinary rights of citizenship. Conditions in the Transvaal were, of course, worse than in Czechoslovakia, but there was a certain similarity.

M. Delbos said he quite understood the Prime Minister's preoccupation. The French Government had not ceased to advise moderation and wisdom in Prague, and to persuade the Czech Government not to give Germany any pretext. At the same time, it was not less necessary to give advice to Germany. Our efforts should be directed to both sides. He feared, however, that what Germany really wanted was to absorb the Sudeten territory, and not that the Sudeten Germans should receive better treatment. The absorption by Germany of Austria and part of Czechoslovakia would not be without consequence for the structure of Europe. It would mean German hegemony, and a new appetite on the part of Germany for further conquest.

It was also necessary that treaties should be respected, for this was the basis of the law of nations. The Prime Minister had said that nothing could be done without good faith on both sides. The French Government agreed with this. There must be goodwill and good faith and a minimum of respect for treaties. France had a treaty with Czechoslovakia, and could not set a bad example by abandoning that treaty. That treaty had been concluded within the framework of other instruments in which France and Great Britain had common obligations, namely, the Locarno Treaty and the Covenant of the

League. If it should happen that, in spite of everything that might be done to remove friction between Czechoslovakia and Germany, there should be a tendency on the part of English opinion to feel that Great Britain was being drawn by her engagements too far in the direction of intervention, this would be a keen disappointment to the French Government and to French opinion.

Mr. Eden said that there was no question of our asking France to reconsider her obligations, or of our asking her not to carry them out, nor, indeed, of our failing to fulfil our own. But there was a feeling here that the Sudeten Germans had certain grievances, which ought to be dealt with. The right course would be to impress upon the Czech Government the need for doing something, and to find out from them what they were prepared to do to meet the grievances of the Sudeten Germans. Only when we knew this could we approach Berlin. There was at present insufficient information, and the Czechs had certainly not yet done enough.

M. Delbos agreed that everything possible should be done to leave the Germans with neither pretext nor reason for intervention. There were two difficulties: In the first place, this was a question of the internal policy of Czechoslovakia, and great caution would be necessary in approaching it. The Germans, on the other hand, wished to deal with the question on a bilateral basis with the Czechs alone, and he doubted whether they would be receptive to our friendly and pacific efforts.

M. Chautemps agreed that when problems were examined in isolation they took on a somewhat precise, and even brutal, character, and one was apt to think that the end would be some *coup de force*. It was natural that the British public should dislike the prospect of being faced with war in the event of certain circumstances arising. But he doubted whether the question really arose so directly or so crudely. The French Government, for their part, would have to judge matters in the light of their traditional policy and of the texts by which they were bound. The problem of Czechoslovakia was a delicate one, but it did not stand alone. It was only one of several problems.

Germany had made certain precise demands; were we to say 'yes' or 'no' or 'perhaps, provided that'? The question then was, what were these conditions to be? The conditions that both Great Britain and France would ask were honourable ones, namely, peace and security. They wanted first an agreement with Germany on matters of direct concern to them, namely, a Western Pact. Within the framework of this would be incorporated the idea that they could not disinterest themselves in events in the other parts of Europe. The parties to the proposed Five-Power Western Pact would respect the rights of other countries. Was this still the view of His Majesty's Government? Did they think that the parties to the Five-Power Pact ought to reserve their liberty of action in the event of aggression such as might arise in the case of Czechoslovakia?

Mr. Chamberlain said the answer was 'yes' without qualification.

But this was not how the case was likely to arise. He did not think that there would be an act of aggression; he thought there would be propaganda and intrigue resulting in the first instance in some extended form of local

Government for the Sudeten Germans. The Germans would hope that if this were achieved, the Sudeten Germans would themselves, with a little prompting, come to think this was not enough and that they would work for incorporation in the Reich. He would have thought that there would be serious disadvantages for the Sudeten Germans in being incorporated in the Reich.

If Germany were only working for some reasonable form of local government without using force or committing an act of aggression, we might confine ourselves to an attempt to main[tain] the position, namely, that there should be a local government but not incorporation in the Reich.

He hoped that when it came to further conversations with Germany, the German Government would explore our attitude and seek some further assurances from us. We certainly could not say that we completely disinterested ourselves in Czechoslovakia; nor could we give Germany a free hand there. But surely it would be possible to conceive of assurances of a much more limited character than this.

M. CHAUTEMPS said that for the moment the important thing was to mark that the two Governments were in agreement as to doctrine.

As regards execution, it was difficult to foresee in advance how the problem would present itself. Great Britain and France might find themselves confronted by a series of minor acts, not amounting to acts of aggression. The essential point was that peace should be preserved and that there should be no war. It was not possible to decide in advance what would be permissible and what would not be permissible; because everything that was not forbidden would be achieved. The external civil war now going on in Spain was a precedent, and supplied food for thought.

It would therefore be quite impossible to ask the Czechs to accept a modification of their Constitution unless this was done by their own free decision.

M. Delbos, when he went to Prague,[6] would once again, and as far as necessary, advise the Czechs not to give the appearance of provocation. But was it possible to interfere in the internal affairs of Czechoslovakia, when the treatment of the population was a purely internal affair? To ask them to accept autonomy would be going too far. It would also encourage the Germans to make still further claims.

He was, however, happy to note that the two Governments were in agreement on two essential points, first, that the colonial question was inter-connected with the question of European appeasement; and secondly, that European appeasement was not to be achieved at the price of a free hand for aggression.

MR. CHAMBERLAIN repeated that if conversations took place with Germany, the Germans would put forward more formal requests than before on the question of Czechoslovakia. He agreed with M. Chautemps that we could not request Czechoslovakia to grant autonomy to the *Sudetendeutsche*. He did not, in fact, believe that the Germans would go so far in their demands as that.

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[6] See No. 331, note 3.

The Germans would probably ask for assurances as to what we would not do rather than for assurances as to what we would do. But it was too early to enter into that.

M. Delbos said he was afraid that whatever concessions might be made to Germany we should not get our counterpart. While, therefore, he agreed that the proposed conversations were necessary, they ran the risk both of encouraging Germany too much and of frightening Czechoslovakia and other small States who might be concerned in the results.

He would make a second point. Germany pursued her aims whatever the attitude of the other nations concerned might be. Austria did not persecute her minorities, yet the German aims as regards Austria were similar to her aims as regards Czechoslovakia. If now Czechoslovakia gave satisfactory treatment to the Sudeten Germans, Germany would find some other pretext against her.

Mr. Eden asked whether M. Delbos's information tallied with ours. His own information was that Herr Henlein had somewhat modified his demands, and that he had had trouble with his extremists, some of whom had been expelled from the party.

He would suggest that when M. Delbos went to Prague he should not say to the Czechoslovak Government: 'Please do not give a pretext to the Germans,' but rather 'Please do whatever you can to meet the legitimate grievances of the Sudeten Germans.'

M. Delbos agreed, but said there was a further consideration. There were those Sudeten Germans who were in agreement with the Czechoslovak Government, and the latter could not certainly sacrifice these; there were also two tendencies within the Henlein party itself. The policy of the Czechoslovak Government was naturally to favour the more reasonable elements.

Mr. Eden thought that the number of Sudeten Germans who favoured the present régime was not very large.

What he thought the Prime Minister had in mind was this. The German Chancellor's remarks to Lord Halifax in respect of the Czechs had perhaps been more moderate than one might have expected. If we could tell the Germans what the Czechs were prepared to do for the *Sudetendeutsche*, our hands would be strengthened in getting what we wanted as regards Czechoslovakia. The best course would therefore be to find out from M. Beneš what was the maximum he could do. Then in return for this we could see what assurances we could get from Germany, including perhaps an assurance concerning the integrity of Czechoslovakia.

M. Chautemps remarked that we are at present only at the information stage. It was, however, quite possible to put questions to both sides, that is, both to the German and Czechoslovak Governments, without interference in their internal affairs, and without giving offence.

M. Delbos observed that it was unfortunate that Herr Hitler's language had been somewhat accentuated by the remarks of General Göring and Field-Marshal von Blomberg.

(The meeting then adjourned.)

Czechoslovakia (continued)

MR. CHAMBERLAIN, summing up the discussion on Central Europe, said that it was clear that we should have to proceed with the conversations with Germany on the basis of an understanding about Central Europe. Whatever Germany's ultimate object—and we might assume that this was to gain territory—our policy ought to be to make this more difficult, or even to postpone it until it might become unrealisable.

It would be useful if M. Delbos would find out how far M. Beneš was prepared to go. The further he would go the easier it would be to exercise a restraining influence on Germany.

M. CHAUTEMPS suggested that the problems which M. Delbos would have to deal with on his journey would be easier to solve, and so would have more important results, if he could speak on behalf of both the French and British Governments, if he could say, for example, that if the Czechoslovak Government gave legitimate satisfaction to the Sudeten population, they could be sure of the sympathy of Great Britain as well as of France, if, in spite of their concessions, there was an act of aggression by Germany.

MR. EDEN explained that His Majesty's Minister in Prague had spoken on this very question three weeks before and that M. Beneš knew our point of view. M. Delbos could certainly speak for the two Governments. The greater the effort the Czechoslovak Government made to deal fairly with the Sudeten problem, the stronger would be their position in the face of world opinion in the event of trouble in the future.

MR. CHAMBERLAIN said that His Majesty's Government could certainly not go so far as to state what their action would be in the event of an attack.

M. DELBOS said that it was always useful to make Germany see that Great Britain was interested in Central Europe. Mr. Eden's statement in the House of Commons in the summer had had a good effect.[7]

The problem was one of large scope. Germany's claims, hopes and demands were known; but it was not known what she was prepared to give. The demands of France and Great Britain could be summed up in the word 'peace.' If to Germany's selfish aims we opposed our own selfish aims we should merely poison the atmosphere. But if our demands were peaceful they certainly ought not to offend Germany.

It should not be forgotten that Germany had violated the Locarno Treaty, and what we had all been trying to do since then was to obtain guarantees for the future. It was important, therefore, not to overlook the basis on which we were proceeding, namely, the proposed Western Pact to take the place of Locarno. This was a matter which concerned not only Great Britain and France, but the whole of Europe. It would be dangerous to start afresh, with a clean sheet, on the basis of the present German demands, and to take no account of past history, and in particular of the Western Pact in its relation to Eastern Europe.

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[7] See Volume XVIII, No. 670, note 5.

He thought, therefore, that the time had come to ask Germany for a reply to the British memorandum about the Western Pact of last July.[8]

It was for Germany also to show goodwill, and to substitute new security for the old security, which she herself had destroyed.

Mr. Eden agreed that in any settlement with Germany a new Locarno Treaty was essential. For Great Britain, it would be a most important element. Nobody contemplated a European settlement that did not include a Western Pact.

M. Delbos added that although Great Britain and France were better qualified than anyone else to put this question to Germany, they need have no fear for themselves. They had the agreement of the 19th March, 1936.[9] They also had Mr. Eden's Leamington speech[10] and M. Delbos' speech of the 4th December, 1936.[11] Great Britain and France were capable of defending themselves; but in pressing for an agreement with Germany they must mark their desire for security not only in the West, but also in the East.

M. Chautemps recalled what Mr. Eden had said, that the position of France as regards Czechoslovakia was not the same as that of England. But as regards Germany, without undertaking any engagement to act, there were questions which ought to be put. If questions were put to the future victim, they must also be put to the future aggressor. Germany was, by treaty, bound to Czechoslovakia not to take up arms against her. When Germany now asked us to give up nearly all that was left of the Versailles Treaty we were justified in asking her whether she was disposed to renew the undertaking not to resort to war against Czechoslovakia.

Mr. Eden agreed. But he also thought that Czechoslovakia should if possible take some steps that would give both Great Britain and France additional authority in speaking to Berlin. The fact that both Britain and France would make the approach would be the best proof that neither was disinterested in Czechoslovakia.

Austria

M. Delbos suggested that the question of Austria should be discussed.

Mr. Eden said that neither France nor Great Britain had treaty engagements as regards Austria. Was there any undertaking they could ask Germany to give in the course of future conversations, and what would be its nature? The Austrian question had never seemed to Mr. Eden to be on all fours with that of Czechoslovakia.

M. Delbos agreed that there were no treaty engagements, but there were certain declarations such as that made at Stresa by which Great Britain and France and Italy asserted that the maintenance of the integrity and independence of Austria was a necessary element for European peace.[12] The Italian attitude had changed since the days they had mobilised on the Brenner. At the same time without going so far as to ask questions, France and Great Britain might manifest a certain solicitude. He had some admiration for the Austrian Government, who had been abandoned by all, especially by Italy. They showed great courage and had strengthened themselves internally. The best course to adopt was not an ultimatum to Germany, but assistance to Austria either economically or through the promotion of a rapprochement with the Danubian countries. It would be some safeguard if Great Britain and France showed an interest in general conciliation among the Danubian countries, and in a general rapprochement which would not exclude Germany and Italy.

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[8] No. 46.

[9] Volume XVI, No. 144.

[10] See Volume XVII, No. 400, note 1.

[11] See *ibid.*, No. 485, note 4.

[12] See Volume XII, No. 722.

Mr. Eden agreed that Austria would have to figure in the final arrangement. Could Germany be asked to repeat to Great Britain and France the declaration she had made to Austria in the previous July?[4] This point could be discussed later on. But it was not the attitude of His Majesty's Government to exclude the Austrian question, though they would not suggest dealing with it in quite the same way as the Czechoslovak question.

Mr. Chamberlain said that as the object was a general settlement, it was impossible to take no account of Austria. He would have thought it possible to explore the situation with Germany in the course of future conversations; and he did not think it out of the question to ask her to give an assurance not to use force.

M. Delbos agreed.

Disarmament

M. Chautemps thought that the question of disarmament might now be taken.

This was a question of capital importance. A truce in armaments would not only be of financial advantage, but would be a mark of the will to peace. The League of Nations would be less visionary in proportion as its members were less armed. Unfortunately, he was not sure whether, in the world as it was to-day, the police were better armed than the robbers.

It would not be offensive to Germany to raise the disarmament question. She might, indeed, be flattered by references to her armed strength. Disarmament was an essential element in any general settlement, and was especially important in view of what Herr Hitler had said to Lord Halifax.

Mr. Chamberlain said he was much impressed by the views put forward by some of our own officers. If limitation was by quantities, the tendency always was to build up to the limit. On the other hand, the most successful disarmament treaty—namely, the Washington Treaty[13]—was based on the qualitative principle. The most profitable method of limitation was limitation by weight, as in the case of tanks or aeroplanes, or by calibre in the case of guns, rather than by the quantitative method, which was difficult to check.

Had the French Government any views?

M. Delbos thought this was in the first place a matter for experts. The real question was, were we bent on doing something or not? He believed in disarmament and was convinced that we should not get anywhere without it.

He suggested that a joint reply should be sent to Herr Hitler on this point;

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[13] See Series I, Volume XIV, No. 585.

in fact, the only point on which he seemed to have been positive. The reply would be that we were ready to discuss disarmament with him, by way of conversation rather than by way of conference. If the three Powers could agree on a basis, then a conference might be called. We could be quite positive to Herr Hitler on this point; we were all ready for a diplomatic exchange of views on this subject.

League of Nations

M. Delbos suggested that the question of the League of Nations should now be taken. This was connected with disarmament in Lord Halifax's statement.

LORD HALIFAX observed that he was not sure that there was any connexion between the two in Herr Hitler's mind.

M. DELBOS thought it very important that this question should be put to Germany by Great Britain and France, for whom the League was a common idea.

LORD HALIFAX said that in a conversation with Baron von Neurath, which he had not reported, the latter had said that he thought the League ought to be kept to deal with social and labour questions and to serve as a meeting-place, but that it was impossible for Germany to come back so long as the League had coercive powers.

MR. EDEN observed that it was no use disguising the fact that this was the point of view of Germany and Italy and, in a modified form, of some other countries, too. We had to consider whether to maintain article 16 in its present form, although, if we did so, the League could not have a universal or fully authoritative membership; or whether we ought to modify article 16, and if so, in what respect.

M. CHAUTEMPS wondered whether he might be so indiscreet as to ask Mr. Eden what kind of modification he contemplated.

MR. EDEN replied that M. Delbos would be aware of the various discussions on the point that had taken place at Geneva. The question had not been considered by the Cabinet, because, in fact, there had seemed no likelihood of any agreement on any modified form of the article. The Scandinavian Governments had put forward a suggestion that the coercive powers of the League should remain, but that they should be optional and not compulsory. He had not discussed this suggestion with the Prime Minister, nor did he know what view His Majesty's Government would take of it. It did, however, rather attract him. The fact had to be faced that members of the League would not take coercive measures unless they wanted to. If article 16 were modified in the proposed sense, nothing very much would in practice be lost.

M. DELBOS recalled that the French Government had already expressed their views on this point. Their proposal was that article 16 should be applied on a regional basis by those States having a special interest in the conflict, whereas States having a more remote interest should take less drastic action. There would be two kinds of action—the lesser, economic, and the greater, military. The French plan had received the support of some other Governments.

Mr. Eden observed that it was difficult to distinguish economic from military action. He had heard M. Delbos at Brussels reply to Mr. Norman Davis when the latter had asked why France would not supply arms to China. M. Delbos had asked, in reply, what the United States would do if France got into trouble in consequence. At this there was complete silence. Subject to the views of Mr. Chamberlain, therefore, he found it hard to distinguish between economic and military action in the last resort.

M. Chautemps remarked that this was an issue on which it was difficult to make a reproach to Germany. The members of the League were not in agreement among themselves. The only article 16 which was being actively applied was the article 16 of the new Anti-Communist League. As, therefore, the doctrine of the world on this point was so uncertain, he thought the wisest course would be to confine the approach to Germany to a request in principle for the return of Germany to the League.

Mr. Chamberlain, reverting to an earlier remark by M. Delbos, said that it was not quite correct to say that Herr Hitler had been very definite on the disarmament question. Indeed, even about bombing aeroplanes he had merely repeated what he had said on previous ocasions.

As regards the question of the League, as Mr. Eden had said, the future of the League had not been seriously discussed by the Cabinet, perhaps because it was not practical politics. If we asked the German Government whether they were prepared in principle to return to the League, the answer would be that Germany could not return to a League as now constituted and as now functioning; but that if the League could be reformed in accordance with German notions, then the question might be considered.

How much importance did the French Government attach to Germany's return? Herr Hitler had said that he did not understand the fuss we made about it, as the United States was not a member. He agreed that the answer to this was that the United States was not an aggressive Power. Indeed, if Germany came back, perhaps there might be some control over her aggressive intentions.

His own personal conclusion was that the experience of the League showed that whatever the general obligations might be, no undertakings were to be relied upon in case of war unless vital interests were involved. The regional obligations to which M. Delbos had referred might perhaps be undertaken, and these might perhaps be relied on. But to pretend to rely on Governments going to war on matters which were not vital to them would be to deceive ourselves and others.

A League that was clothed with powers that it could not exercise could not have the moral strength of a League that could fulfil its proper functions. He realised at the same time how difficult it was to change Constitutions and what suspicions and apprehensions such a course would arouse.

Personally, he would like to see a League with no coercive powers at all; but he agreed with Mr. Eden that there was some point in having a League whose coercive powers were optional, and not compulsory. It would come to the same thing in the end.

M. **Delbos** agreed that false security was a bad thing. There were two possible solutions: either to renounce the security guarantees altogether, or to try to introduce some other element of security. What did His Majesty's Government think about the French plan for security on a regional basis?

It should not be forgotten that existing pacts and guarantees were based on article 16. If article 16 were deleted, the basis of European security would be cut away.

Did His Majesty's Government think that article 16 should be adapted, or, if they thought this was too difficult, did they think it should be replaced?

Mr. **Eden** replied that adaptation was what they had in mind; though he doubted whether the question could be carried on any further at present. If conversations with Germany took place, the two Governments must agree on a formula with which to approach her.

M. **Chautemps** suggested that if no agreement could be found for getting Germany back, another solution might be for Germany to remain outside the League, but to recognise that members of the League were parties to agreements which were bound up with article 16.

M. **Delbos** agreed and said that France and other members of the League had their agreements, and it was not for Germany to ask them to give them up.

Colonies

Mr. **Chamberlain** thought it was agreed that if the French and British Governments discussed colonies, even among themselves, in order to find out whether it was possible to go some way to meet Germany, they would do so as part of a general settlement, and not as a question standing by itself.

M. **Chautemps** agreed.

Mr. **Chamberlain** recalled that the arguments put forward by Germany were very numerous, and not all very sound. It was necessary to understand the German point of view in considering how far it was possible to go to meet it. The Chancellor had completely changed his view on this subject since *Mein Kampf* was written. The question of *amour-propre* played a great part in the German mind. Until Germany regained colonies, her self-respect would not be restored, and she would not enjoy full equality.

The Germans had also persuaded themselves that by their methods of intensive development they could supply themselves with the raw materials they now required. They thought that by their own system they could achieve greater results than they had done in the past and than other nations were doing at present. It was for this reason that people like Schacht were keener on colonies than the Chancellor, who did not understand much about it.

Herr Hitler had been much impressed by reports in the newspapers about the proceedings of the Conservative Party Congress, and had assumed that this was a definite refusal to entertain the colonial claim. This was going too far. It was not necessary to take the party resolution as the last word. He was pretty sure himself that, if some contribution were required from Great Britain to secure European peace, the British people would not reject it.

The chief difficulty was Tanganyika. There were strategic objections to its restoration, since any hostile country holding it would be in a position to interfere with British communications, and to establish submarine and air bases which would be a menace not only to British territories lying to the north of Tanganyika, but to territories at the southern end of the continent. This had been impressed upon His Majesty's Government by the Union Government. The position had become all the more difficult since Abyssinia had been conquered by Italy.

It was not clear from what Herr Hitler had said where Germany stood about South-Western Africa, which was held, of course, by the Union of South Africa and not by the United Kingdom. There seemed to be some differences of opinion among the German spokesmen themselves.

The problem therefore was what could Great Britain do to find an equivalent for Tanganyika? This question had not been pushed very far at present. He fully recognised that France could not be asked to make a sacrifice if Great Britain was not prepared to make what would, generally speaking, be an equivalent sacrifice herself.

M. CHAUTEMPS thanked the Prime Minister for his statement, which was valuable in three ways. It was valuable as a mark of Franco-British friendship. In the second place, he had been struck by Hitler's insistence on the return of French colonies and by his willingness to put aside certain British colonies. Finally, the Prime Minister's statement was important from the point of view of French public opinion.

The French Government was much in advance of the French public. If the French people were asked by referendum to say whether the ex-German colonies should be returned or not, the members of the Government would probably be alone in giving an affirmative reply.

The position in France was very much the same as that in England. The French people might be prepared to make a sacrifice if they were doing so in the interests of true peace.

There were other difficulties from the French point of view. To transfer coloured peoples like chattels would be contrary to France's democratic doctrines. Similarly, to transfer coloured peoples from the humane régime of the French administration to the brutal economic exploitation of the National Socialists would be repugnant to French ideals.

It was therefore a very grave problem for France. But the point of view of the British Government, which had just been stated to them, would certainly help the French Government, and M. Chautemps was grateful to receive it.

M. DELBOS recalled that Dr. Schacht had come to Paris a year before with a mandate from the Chancellor.[14] He had spoken sometimes in his personal capacity and sometimes with authority. He had indicated that the colonial question might be connected up with a general settlement. These conversations were not pursued further, because public opinion, both in France and in

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[14] i.e. in August, 1936: see Volume XVII, Nos. 141, 145, and 210, and cf. Volume XVIII, No. 210.

England, was hostile. If the French Government could persuade the French people that by making a sacrifice in the colonial sphere they were ensuring peace, the French Government could probably bring the public round. But if they got nothing at all from Germany in return, opinion would be unanimously against them.

He therefore thought it would be a great mistake to accept even the principle of retrocession of colonial territories without a counterpart in the shape of assurances from Germany in advance. It should therefore be made quite clear to Germany what Great Britain and France wanted in return. There must be a settlement in advance of actual retrocession. Germany would certainly try to gain time and to persuade Great Britain and France to surrender the principle. Once that was achieved, they would pass from the question of rights to the question of the area of territory to be retroceded. Great Britain and France would then be on the defensive.

His conclusion was that no promise, even a theoretical promise, to return colonial territory should be given without a promise of a settlement from Germany.

MR. CHAMBERLAIN did not think there was any disagreement on the point that the principle of cession could only be surrendered in exchange for something concrete. He did not at all agree that Germany had any right to colonies. The answer to Germany ought to be that Great Britain and France were prepared to discuss when they heard what Germany was prepared to give on the other side.

M. CHAUTEMPS and M. DELBOS agreed.

MR. CHAMBERLAIN drew attention to Dr. Schacht's suggestion about chartered companies. He thought it might be worth while exploring this proposal, which would be easier for Great Britain to accept than the cession of territory, and it would not raise the question of native rights.

M. CHAUTEMPS said that on the main point he fully agreed with the Prime Minister, namely, that a settlement of the colonial question must be part of the general settlement and the result of common effort, and that nothing, even in principle, should be yielded except in return for adequate assurances from the other side.

The French Ministry for Colonies had studied the question of chartered companies, access to raw materials and economic concessions. They had found that these had raised a number of difficult problems. But the cession of territory would itself also raise very serious problems, such as that of the expenditure incurred by a mandatory Power in a territory or that of concessions granted to private individuals.

All these questions required further study by experts.

M. DELBOS recalled that what Herr Hitler had said to Lord Halifax was that Germany would await proposals from Great Britain and France. It was for Great Britain and France to take the next step.

Did Lord Halifax think that Herr Hitler was prepared to make proposals?

LORD HALIFAX replied that the Chancellor had said that it was for Great Britain and France to say something. He had replied equally vigorously and just as frequently that the colonial question could not be touched except as part of a wider settlement.

Mr. Eden thought it was important to be agreed as to procedure. Germany had asked for French and British possessions. This was perhaps normal. It would also be in accordance with normal practice to reply. France and Great Britain ought, therefore, now to prepare a statement of their views for presentation to Germany, a statement, that is to say, of the terms on which they would be prepared to discuss the colonial question. Lord Halifax had made it clear that Great Britain could not return colonial territories except as part of a general settlement. The next step to take would be to prepare a statement of what it was desired to get from Germany in return.

M. Delbos agreed.

M. Chautemps asked who would send the reply; would it be sent through the diplomatic channel or by way of a new conversation? Would it be sent by both Governments jointly or by one Government only?

Mr. Eden thought the simplest course, in view of Lord Halifax's conversation with Herr Hitler, would be, if Great Britain and France agreed upon the terms of a reply, for it to be delivered through His Majesty's Ambassador in Berlin.

M. Corbin observed that hitherto the matter had been treated on an unofficial basis. Such a communication would make it official.

M. Chautemps suggested that the two Governments should agree on the terms of the reply, and that it might be then delivered through His Majesty's Ambassador in Berlin. A joint official communication might be made by the two Governments at a later stage.

Mr. Chamberlain wondered whether perhaps they were not a little at cross-purposes. His Majesty's Government did not contemplate making any communication to Germany immediately after the present Anglo-French conversation. There was a great deal more to be discussed between the two Governments before that. It would not be wise for the two Governments to commit themselves so far at the present stage without knowing where they were going.

M. Chautemps agreed.

Mr. Chamberlain said that he had stated the problem so far as His Majesty's Government were concerned. The chief ex-German colony in British possession was one which Great Britain could not give up, for strategic reasons. It was therefore for His Majesty's Government to see whether they could find any equivalent. This was a thing that they must do for themselves.

M. Chautemps thought that compensation would be difficult to find, if it were territorial, and he thought it would have to be territorial.

Mr. Chamberlain thought that the same difficulty would not arise if it were a question of giving up territory in East Africa to a Power other than Germany.

As regards procedure, he was still not quite sure that the French and British Ministers meant quite the same thing. On the point of how discussions with Germany on the colonial question should begin, the idea of His Majesty's

Government would be to say that they were ready to discuss the colonial question if they were satisfied that Germany was ready to discuss the things that His Majesty's Government wanted in return, namely, disarmament, the League, Western Pact, Central and Eastern Europe. This would not commit His Majesty's Government even in principle to the idea that they would hand the colonies back. It would only mean that we were ready to discuss an all-round basis of agreement.

Did he understand M. Chautemps to mean that the French Government would not even discuss the colonial question unless an agreement had first been reached on other matters?

M. **Delbos** said that what he had in mind was a simultaneous giving of assurances or guarantees. He did not ask for agreement on the things that France wanted, in advance of discussion of the things that Germany wanted. He wanted to ensure that there was no discussion of colonies in advance of the discussion of the other matters.

Mr. Chamberlain said that the question of the British contribution on the colonial question was a very difficult one. What would the French Government think of a British approach to Belgium and Portugal with the object of meeting Germany's suggestion for a mandate in West Africa over Belgian and Portuguese territory in compensation for Tanganyika, the basis of such approach to be territorial cession or monetary compensation or both?

M. **Delbos** thought that this was an extremely delicate question. An approach, if made, would have to be made unofficially and with great tact and discretion. Perhaps even it would be premature at the present stage. In any event, the basis of the approach ought perhaps to be a general consideration of the whole colonial question, rather than any definite suggestion that concessions might be requested from the Belgian or Portuguese side.

M. **Chautemps** recalled that the colonial problem might also present itself in the inverse sense; for there were countries, like Poland, who had no colonies and wanted a place in the sun.

Text of proposed Press Communiqué

The general lines of the press *communiqué* to be issued at the conclusion of the meetings on the 30th November were agreed upon by the French and British Ministers. It was agreed that the text should remain confidential for the present, although it might be used as a basis for communications to be given to the press at the close of the present meeting.

Five-Power Treaty

M. **Delbos** said there was little to say on the subject of the proposed Western Treaty. The French Government were in agreement with the British Memorandum of July 1937. They wanted to make progress, and they hoped that Germany would reply as soon as possible.

As regards the question put by Poland,[15] this would probably be raised when he visited Warsaw. Poland wanted to be directly associated in the negotiations, and had apparently had a sympathetic response from Italy, if not from Germany. It should be noted, however, that Czechoslovakia and Soviet Russia had as good a claim in this respect as Poland.

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[15] See Volume XVIII, No. 667, and No. 47 above.

Mr. Eden said he thought that the Polish request had become academic. Unless Germany sent a reply, there would be no negotiations for a Western Pact. So far as His Majesty's Government were concerned, he saw no objection to a sympathetic reply being given to Poland, but thought that the Polish Government should be reminded that they did not stand alone in this matter, and that there were other Governments which had as good a claim as they to be associated in the negotiations.

M. Delbos repeated that he thought the German Government ought to be asked for a reply to the British Memorandum of July 1937.

Mr. Eden wondered whether it was wise to put this question to Germany.

M. Delbos urged that as Germany was now making demands, there was every justification for asking her a question about Locarno. The new Western Pact would be the first step towards the proposed general settlement.

Sir R. Vansittart reminded M. Delbos that the French reply to the British Memorandum of July 1937 had not yet been received.

M. Delbos said the reply was very simple. It merely said 'We agree.'

Far East

Mr. Eden said that His Majesty's Government were much disturbed by the situation in the Far East. Japan was becoming more and more aggressive. The fact must be faced that Great Britain had not sufficient force in the Far East to resist, and Japan knew this. M. Delbos and he had done their best for international co-operation at Brussels. It had, however, become clear that the United States Government were not prepared to go very far in this sense, and this was putting it mildly. He hoped the United States might evolve towards fuller co-operation with Europe. Meanwhile there was little more that could be done. Had the French Government any suggestion to make?

M. Delbos said they had not. He would only say that the Soviet Government took a similar view. There was neither hope nor fear of any initiative from Moscow. The Soviet Government were prepared to do as much as the United States, neither more nor less.

Mr. Eden said he thought the weakness of Russia was one of the underlying causes of events in the Far East.

M. Delbos suggested that other causes were the preoccupation of the Western Powers in Spain and the Mediterranean.

Spain

M. Delbos asked whether Mr. Eden had any new information to give.

Mr. Eden replied that the reply from the Spanish Government was still awaited. A reply had arrived from General Franco, but it was rather an obscure document.[16] The Non-Intervention Committee was pursuing its slow but smooth way. The situation was perhaps less acute than before from the point of view of peril to the European situation.

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[16] See No. 377 below.

One interesting fact was that, since the middle of October, little help had been arriving for either side. German, Italian and Russian supplies had stopped. For the first time the Non-Intervention Agreement was being observed.

M. CHAUTEMPS thought that France and Great Britain could congratulate themselves that their Spanish policy had undoubtedly helped them to pass a very difficult year without a breach of the peace.

MR. EDEN asked whether he could conclude that the French Government were not now so anxious as before as to the possible results of events in Spain.

M. DELBOS said this would depend on how things developed. The French Government, of course, would prefer that the Spanish Government should win. But they did not think that their interests would necessarily be menaced if Franco won. It was only through Germany and Italy that menace would arise.

M. CHAUTEMPS added that the risk remained. If the new Spanish Government was dependent upon some foreign Government, there would be difficulties in the Mediterranean, particularly if Spanish territory was at the disposal of a foreign Power for naval or air bases. A hostile Spanish Government in possession of the Spanish Zone in Morocco could cause great trouble to France in case of hostilities.

The Mediterranean Question and Conversations with Italy

M. DELBOS added that, so far as Spain was concerned, Italy caused more uneasiness to France than to Germany, and Italy caused her more uneasiness than did Franco himself. The French Government were waiting for better news from Italy. In the past there had been the despatch of 80,000 troops to Libya; the Bari broadcasts; agitation among the Moslems in Syria, Palestine, Morocco and Tunis. Now there was the news that Germans had landed in Libya, although in small numbers. This last information was quite recent.

MR. EDEN asked what view the French Government took of the concentration of troops in Libya. The British Chiefs of Staff did not think that Italy intended to attack Tunis or Egypt. The concentration was either a sign of nerves on the part of Italy, or intended to be a nuisance to us if need arose.

M. DELBOS replied that he agreed that Italy had no desire to make an attack. But the situation was such that frontier incidents might easily occur, and this would create complications.

M. CHAUTEMPS wondered whether the explanation might not be that Italy wished to be in a position to wage war in the Mediterranean with all the modern methods that were now available, and to increase her moral influence by the occupation of widely separated points with small effectives. This was a larger and more dangerous conception.

MR. CHAMBERLAIN doubted whether Italy had in mind any act of aggression in the Mediterranean. It seemed to him that Italy might be arguing about Great Britain as though Great Britain were moved by Italian motives, and thought that, as Great Britain had suffered humiliation, she might surely be expected to wish to take her revenge. Italy might thus be alarmed at the prospect of a British attack on Abyssinia, though Great Britain did not want Abyssinia nor to be burdened with the Italian problems there. The troops in Libya might be intended to create a diversion in the event of a British attack on Italy.

The French Ministers would remember the exchange of letters between Mr. Chamberlain and Signor Mussolini.[17] It was often asked why that exchange had not been pursued further. The reply was, of course, that this had been prevented by subsequent events in the Mediterranean, such as the submarine campaign, and the Italian boasts about the capture of Santander.[18] Italy might therefore be troubled and suspicious, and be wondering whether Great Britain is not planning something against her. What did the French Government think would be the best course to pursue in order to improve the situation? Perhaps, if his theory was correct, and the Italians were afraid, the best course might to be remove their fears.

M. Delbos said that Mr. Chamberlain had given a very subtle analysis of Italian psychology. He entirely agreed that it was desirable to bring about some slackening of tension with Italy. But it would be difficult to do so under threat or insult. Great Britain might certainly say she was ready to open conversations; but no step of this kind should be taken by a great Power under threat. It would only be possible if all threat or provocation were removed. Otherwise there would be an impression of weakness. The first condition should be good behaviour on the part of Italy.

Mr. Eden summed up the French view as being that the French Government thought His Majesty's Government could agree to open conversations and would like His Majesty's Government to say they were ready to do so. Before this could usefully be done, however, there must be a diminution of anti-British and anti-French propaganda in various parts of the world.

M. Delbos observed that Herr Hitler had intimated to Lord Halifax that Germany had no desire to break the Franco-British connexion. Italy, on the other hand, was more intent upon breaking the Franco-British connexion than on coming to an agreement with Great Britain. Past events had shown that as soon as Great Britain took a step towards Italy, there was immediately an anti-French campaign in Italy, and Italian propaganda laid every emphasis upon the division between Great Britain and France.

Mr. Chamberlain said he was afraid this was true.

M. Chautemps asked, supposing that this condition was fulfilled and Italy became amiable and courteous, how did His Majesty's Government contemplate in practice opening the conversations? It would be a matter of national pride in Italy to seek the recognition of the Abyssinian Empire. Did His Majesty's Government intend to take any initiative in this respect, and what course would they pursue?

Mr. Chamberlain replied that, as regards the recognition of the Italian conquest of Abyssinia, His Majesty's Government had made it clear to the Italian Government that they could do nothing about this until some step had been made by the League. Italy had made it impossible for anything to be done at Geneva.

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[17] See Nos. 65 and 81.

[18] See No. 108, note 4.

It was quite possible, if conversations were opened, that the Italian Government would suggest that a good basis might be an agreement not to increase armaments in the Mediterranean. In that event he feared that His Majesty's Government would disagree with the Italian Government.

Mr. Eden thought, and this was Lord Perth's advice, that Italy did really fear some act of revenge on the part of Great Britain. This made Italy concentrate on the Mediterranean, and to some extent disinterest herself in Central Europe. It was not a British or French interest that Italy should distinterest herself in Austria. If appeasement could be achieved in the Mediterranean, this would allow Italy to increase her interest in Central Europe. This was one of the chief reasons why His Majesty's Government thought conversations with Italy were worth pursuing.

Mr. Chamberlain observed that, in spite of what Lord Halifax had said to Herr Hitler, he would himself like to weaken the Berlin-Rome axis. He could not believe there was any real sympathy between Rome and Berlin.

M. Delbos said that was precisely why he thought that if conversations with Berlin proceeded favourably, the Italian attitude would change. Whatever she might do would be a matter of indifference. His view, therefore, was that if an agreement with Berlin was attempted, there was less need of an agreement with Rome. If an agreement with Berlin was contemplated, and at the same time an attempt was made to agree with Rome, this would not please Berlin, nor would it weaken the axis.

Mr. Eden thought, on the contrary, that if no approach was made to Rome now, and if the conversations with Berlin failed, it would not be possible to approach Rome later with any hope of success if the Berlin conversations had failed.

Mr. Chamberlain assumed that any conversations in Berlin would be reported to Rome. There was something to be said for the view that if Rome saw some hope of reaching an accommodation with Great Britain, Rome would be less likely to sabotage an agreement with Berlin.

M. Chautemps personally saw considerable utility in some appeasement in relations with Italy. Nothing in the way of warm-hearted gratitude was to be expected from Mussolini. On the contrary, he would no doubt behave with his usual impudence. But one had to take one's friends as one found them. He wished, however, to ask what, apart from the question of the recognition of the conquest of Abyssinia by the League, would be the basis of the conversations. So far as recognition was concerned, the vote at Geneva would soon depend on Great Britain and France alone. Members of the League were recognising one by one, and Yugoslavia and Roumania were apparently about to do so.

M. Delbos suggested that what had encouraged Yugoslavia and Roumania to do this was the rumour of conversations behind their backs, and this had made them suspicious. It might not be a bad thing to tell the Yugoslav and Roumanian Governments that we disliked this conduct on the part of Governments which had the same obligations as ourselves.

Mr. Chamberlain agreed with M. Delbos that it was not right that conversations should begin in an atmosphere of virulent propaganda against Great Britain and France. The situation was a very slippery one, as M. Chautemps had pointed out. He would like to make progress, and to tell the Italian Government that His Majesty's Government wanted conversations, but would ask the Italian Government first to put an end to propaganda against Great Britain and France. He had already told the Italian Ambassador that His Majesty's Government did not believe in parting with old friends to gain new ones, and that there was no approval in Great Britain for Italian press attacks against France. Count Grandi had taken note of this, and there had been an improvement for a time, though the attacks had now started again.

Mr. Eden asked whether, on that basis, the French Ministers would have any objection to our saying to the Italian Government that the condition for the opening of conversations was the cessation of propaganda against Great Britain and France?

M. Chautemps said he had no hesitation in agreeing.

He asked that when His Majesty's Government contemplated conversations with the Italian Government they should let the French Government know, and also let the Italian Government know that they had informed the French Government.

Mr. Eden agreed. His Majesty's Government would say to the Italian Government that it appeared that the Italian Government wanted conversations. So did His Majesty's Government. His Majesty's Government had discussed the question with the French Government. The French Government were in agreement. The condition for conversations was the cessation of propaganda against both countries.

M. Chautemps remarked that so far they had only considered the general object of the Italian conversations. What were the points of detail that would come up for consideration? The Prime Minister had mentioned the question of naval forces in the Mediterranean.

Mr. Eden replied that he thought the points for consideration were

(1) Libya.
(2) The general position in the Mediterranean.
(3) The position in the Red Sea.
(4) Exchange of information about military dispositions in the Mediterranean (the Italian Ambassador had once raised this point).

This was not a formidable programme and would not lead very far, but he hoped that tension might be reduced by embarking on it.

M. Chautemps observed that what worried him a little was lest France should be excluded morally from conversations on matters which, it seemed to them, concerned France in common with Great Britain. Spain and

Abyssinia were examples. France would have ideas on those subjects to introduce into the discussions. It was desirable to avoid a bilateral Anglo-Italian agreement on matters of concern to France.

MR. CHAMBERLAIN fully appreciated what M. Chautemps had said. He could be fully assured that he would be kept fully informed of the nature of the discussions, and that no bilateral agreement would be made which excluded France where France's interests were concerned.

It was still not known what Italy desired. She might want an assurance that Great Britain harboured no designs against her, in which case she might give a counter-assurance. In any event, the French Government would be told what the Italian Government said.

MR. EDEN said there was another possible item on the agenda of the Italian conversations, namely, the Italian attitude towards the Moslems and Italy's championing of the Moslem world against Great Britain.

M. CHAUTEMPS said that as between Italy and France the following subjects would arise:

Abyssinia (appointment of Ambassadors).
Propaganda among Moslems.
Mediterranean.
Spain.

MR. EDEN suggested that if His Majesty's Government proposed that propaganda should first cease, it might be some time before the conversations opened.

M. DELBOS said that the important thing was not what was promised, but what was fulfilled. The offensive Bari broadcasts should stop, and arms and tracts should no longer be sent to Moslem countries.

M. Delbos said that the Italians made so little concealment of what they did, that there was no need for Information Services to discover it.

Danzig

MR. EDEN asked whether M. Delbos was likely to discuss the Danzig question with M. Beck at Warsaw. His Majesty's Government were not happy about the position of the League High Commissioner, who was unable to exercise his authority.[19] Minorities were not being protected. His Majesty's Government would like to get him away. Perhaps this could be done at the January Council, though the Polish Government would probably be opposed to this.

M. DELBOS said that his opinion was that the Germans took a different view of Danzig from the view they took of Czechoslovakia and Austria. The Polish-German Agreement[20] had had certain results. The Chancellor had summoned the Gauleiter of Danzig and had told him not to make difficulties for Poland. Nothing was therefore likely to happen so far as the Polish population was concerned. If Poland was satisfied that her interests were fairly safe, she would be only too glad to keep the League High Commissioner in Danzig. Poland would not do much for the non-Polish minorities. He thought that the recall of the High Commissioner was worth considering, though Poland would certainly not be in favour of his recall.

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[19] Cf. No. 258.

[20] See No. 296.

Mr. Eden said that His Majesty's Government had no desire to interfere. If Germany and Poland could settle the Danzig question altogether, so much the better. But Germany of late had seemed to take the view that Danzig was more hers than Austria and the *Sudetendeutsch.* Perhaps he would find M. Beck a little more uneasy than before. This was really M. Beck's business more than anybody else's. What worried His Majesty's Government, as it no doubt did the French Government, was their responsibility.

M. Delbos suggested that he might indicate to the Polish Government that there were two justifications for the presence of the High Commissioner, namely, the protection of Polish interests and the protection of the rights of minorities. If the latter were not being protected, was it worth keeping the High Commissioner in Danzig to be a witness to their persecution?

Mr. Eden thought it was important not to allow the Polish Government to tell the German Government that the British and French Governments were making difficulties about Danzig. The Polish Government had a habit of doing this. The line to take with Poland might be that if Poland could settle with Germany, so much the better. If not, His Majesty's Government and the French Government must consider the question.

M. Delbos agreed. He thought one of the causes of German patience was, so far as Poland was concerned, the existence of bad relations between Poland and Czechoslovakia. The relations of Poland and Czechoslovakia were a function of Poland's relations with Germany.

This concluded the day's discussions.

M. Chautemps said that he had been deeply gratified by the course which the conversations had taken, and had been profoundly touched by the complete loyalty and intimate understanding which had been shown by the British Ministers.

Mr. Chamberlain said that on the British side, too, it had given the greatest pleasure to find, so soon after Lord Halifax's visit, so complete a community of outlook between France and Great Britain. He was convinced that peace would depend upon the maintenance of this relation between the two countries.

(The meeting then adjourned.)

THIRD MEETING, NOVEMBER 30, 11 A.M.[21]

Communiqué

The French and British Ministers agreed on the terms of the *communiqué* to be issued to the press (for text see annex).

Mr. Chamberlain informed the French Ministers that he proposed to read the text of the *communiqué* that afternoon in reply to a question in the House of Commons.[22]

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[21] Lord Halifax was not present at this meeting.

[22] See 329 *H.C. Deb. 5 s.*, cols. 1877–78.

M. **Chautemps** again expressed his gratitude for the warmth of his welcome and his appreciation of the spirit of loyalty in which the conversations had been conducted.

Mr. Chamberlain made a suitable reply.

Mr. Chamberlain added that he had heard that when the Minister for the Co-ordination of Defence had the previous evening given the French Ministers some figures about the production of aeroplanes in this country, the extent of British production had been unknown to the French Ministers. He was rather surprised that this was so, and he wished to say that, if at any time the French Government wished for any information on points of this kind, they had only to ask and the information would be given. Quite recently a German mission had been shown round our air force establishments, and His Majesty's Government would be even more willing to do the same for representatives of the French Government if the latter so desired.

(The proceedings were then closed.)

Annex to No. 354

Communiqué issued at Conclusion of Conversations between British and French Ministers held in London on November 29 and 30, 1937

November 30, 1937

M. Chautemps and M. Delbos had a number of conversations with the Prime Minister, the Secretary of State for Foreign Affairs and other British Ministers during their stay in London on the 29th and the 30th November.

The French Ministers heard from Lord Halifax himself a statement on his recent conversations in Germany. They were glad to recognise that while Lord Halifax's visit, being of a private and unofficial character, was not expected to lead to any immediate results, it had helped to remove causes of international misunderstanding and was well calculated to improve the atmosphere.

The problems of Europe as a whole and the future prospects of appeasement and disarmament came under review. On these important subjects the French and British Ministers found fresh evidence of that community of attitude and outlook which so happily characterises the relations between France and the United Kingdom.

A preliminary examination was made of the colonial question in all its aspects. It was recognised that this question was not one that could be considered in isolation, and moreover would involve a number of other countries. It was agreed that the subject would require much more extended study.

The French Ministers, in their turn, spoke of the forthcoming visit of M. Delbos to certain countries in Central and Eastern Europe. They were happy to note the common interest of the two Governments in the maintenance of peaceful conditions in those parts of Europe.

The situation arising out of the Spanish conflict and Mediterranean questions generally came under review. It was agreed that, despite all difficulties, the policy of non-intervention in Spain had been fully justified and had contributed materially to diminish the international repercussions of the conflict. It was resolved to continue to pursue the efforts of the two Governments in this direction in order to give full effect to this policy.

The French and British Ministers examined the Far Eastern situation, the gravity of which they fully recognised. They were agreed as to their readiness to co-operate, with other Powers similarly placed, to protect the rights and interests and to meet the obligations arising from international treaties relating to that part of the world.

The French and British Ministers went on to review in a spirit of mutual confidence the other aspects of international affairs of common interest to the two countries. While in no way departing from their previously expressed conception of international collaboration, they reaffirmed the desire of their Governments to co-operate with all countries in the common task of promoting international appeasement by the methods of free and peaceful negotiation.

No. 355

Text of conclusions prepared for the guidance of the British and French Governments after the conversations of November 29–30[1]

[C 8274/270/18]

November 30, 1937

1. Les deux Gouvernements sont d'accord pour estimer que les revendications coloniales de l'Allemagne ne peuvent être prises en considération qu'en relation avec un règlement général européen.

2. Ce règlement général doit comprendre un pacte occidental et celui-ci ne doit pas avoir pour conséquence de donner les mains libres à l'Allemagne dans le reste de l'Europe.[2]

3. M. Delbos insistera auprès du Président Bénès pour que soient envisagées les concessions[3] qui pourraient être faites dans la question des minorités allemandes afin de donner à la France et à l'Angleterre des

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[1] From minutes attached to the filed copy of this document it appears that a first draft was drawn up by M. Massigli (Director of the Political and Commercial Affairs department of the French Foreign Ministry since October 1937) as a summary of the *procès-verbal* of the meetings of Anglo-French ministers (No. 354). He discussed the draft on November 30 with British officials at the Foreign Office who produced, later on November 30, the revised version here printed.

[2] The first draft of this sentence read 'La conclusion d'un Pacte occidental ne doit pas avoir pour conséquence de donner les mains libres à l'Allemagne dans le reste de l'Europe.' Sir R. Vansittart asked for this to be put more positively, remarking: 'This general settlement (*not* Western Pact which is dead except as *part* of that settlement) must include satisfactory provisions in regard to Europe as a whole.'

[3] The original opening words, 'M. Delbos s'enquérrera auprès du Président Bénès des concessions . . .' were not considered by the Foreign Office to be strong enough.

arguments pour obtenir de l'Allemagne des garanties satisfaisantes en faveur de l'intégrité tchécoslovaque.

4. M. Delbos marquera au gouvernement polonais les préoccupations que causent aux deux gouvernements le maintien dans les conditions actuelles du Haut Commissaire à Danzig.[4]

5. Les deux Gouvernements ne se désintéressent pas de la question autrichienne qui doit trouver sa place dans un règlement général. Ils examineront la possibilité de demander à l'Allemagne, dans le cadre d'un règlement général qui comprendrait une solution de la question coloniale, de renouveler devant eux les engagements qu'elle a pris à l'égard de l'Autriche dans l'accord du 11 juillet 1936.[5]

6. Les deux gouvernements reconnaissent la nécessité d'un nouvel effort auprès de l'Allemagne en vue d'une limitation et d'une réduction des armements.

Le Gouvernement britannique incline à rechercher ce résultat par le moyen d'une limitation qualitative des armements.

7. Le retour de l'Allemagne à S.D.N. est souhaitable, mais tout ne doit pas être subordonné à l'obtention de ce résultat. Les difficultés que soulève l'application de l'article 16 du Pacte ne doivent pas entraîner la suppression de cet article, qu'il y a d'autre part lieu d'assouplir. Le Gouvernement britannique est favorable à une solution qui rendrait facultative l'application de l'article 16. Le Gouvernement français incline vers une solution régionale de cette question.

8. Sans préjuger de leurs conclusions sur la possibilité et l'opportunité d'une négociation avec l'Allemagne sur la question coloniale, les deux Gouvernements sont d'accord pour estimer qu'un règlement colonial ne peut intervenir que dans un règlement général. Les deux Gouvernements, qui auront après étude à confronter leurs vues à cet égard, poursuivront leur examen à la lumière des principes suivants:

a) Il y a lieu d'éviter toute reconnaissance dans l'abstrait d'un droit qu'aurait l'Allemagne à posséder des colonies. Seule une solution concrète du problème peut être envisagée.

b) Si indépendamment de toutes solutions ne comportant pas de transfert de souveraineté territoriale qui seraient reconnues opportunes, les sacrifices territoriaux doivent être consenties, ils le seront par les deux Gouvernements.[6]

9. Les Ministres français n'ont pas d'objections à l'ouverture des conversations Anglo-Italiennes étant entendu

(a) que le Gouvernement britannique marquera au Gouvernement italien la nécessité de mettre fin auparavant à la propagande contre l'Angleterre et la France;

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[4] This paragraph was inserted on the Foreign Office's suggestion.

[5] See Volume XVI, No. 436, note 4.

[6] Later on November 30 a message was received from M. Massigli asking that paragraph 8(b) should end with the following words: 'Les sacrifices territoriaux que les deux Gouvernements auraient éventuellement à consentir devront être *équivalents*.' Mr. Eden said, however, that he 'would prefer that this went no further', and the French evidently made no further objection.

(b) que si des questions sont soulevées qui intéressent le Gouvernement français elles ne seront pas réglées en dehors de lui.[4]

CHAPTER V

Reactions to Mr. Chamberlain's plans for agreement with Italy and Germany: President Roosevelt's peace initiative

December 1, 1937–January 29, 1938

No. 356

Sir R. Lindsay (Washington) to Mr. Eden (Received December 2, 9.30 a.m.)

No. 443 Telegraphic [*C 8279/270/18*]

Most Secret WASHINGTON, *December 1, 1937, 11.35 p.m.*

Well[e]s[1] told me in confidence that the German Ambassador[2] had given State Department full report of conversation between Herr Hitler and Lord Halifax.[3] This had been done under special instructions from Baron von Neurath and with particular request that no other government be informed of the communication made. Well[e]s said he regarded the report as of very encouraging nature and he believed that His Majesty's Government had been extremely wise in bringing about the conversation.

Well[e]s then asked me if you would not agree to send to him through me the British report of the conversation. He said that the President was watching developments with the keenest interest and, apart from that, he thought it important that State Department should be accurately informed. You could be sure that your confidence would be scrupulously respected.

I recommend strongly that you agree to this and telegraph report to me for communication to Well[e]s. And I should like to urge further that by way of giving full measure you add an account of what passed at meeting with the French Ministers.[4] I think it can only be advantageous to us that State Department should have available authentic information on exchanges of this importance.[5]

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[1] Mr. Sumner Welles, U.S. Under Secretary of State.

[2] Herr Dieckhoff.

[3] See No. 336.

[4] See No. 354.

[5] Mr. Eden spoke to the U.S. Chargé d'Affaires in London, Mr. Herschel V. Johnson, on the morning of December 3 about Lord Halifax's visit, but agreed on December 5 to Sir R. Vansittart's wish to send 'a bit extra': see No. 370 below.

In my opinion what has passed between this Embassy and State Department in the last few days marks distinct step towards actual intimacy between the two Governments, and tendency should be cautiously encouraged.

But please remember that this growing intimacy is a delicate plant which will be blasted by the first breath of publicity.[6]

[6] For the views of Herr Dieckhoff on this 'growing intimacy', as reported to the German Foreign Ministry in a despatch of December 7, 1937, see *D.G.F.P.*, Series D, vol. i, No. 423.

No. 357

Sir E. Phipps (Paris) to Mr. Eden (Received December 2)

No. 731 Saving: Telegraphic [*C 8249/270/18*]

PARIS, *December 1, 1937*

My telegram No. 230.[1]

Warm and increasing satisfaction is expressed by the French Press of December 1st at the results of the London conversations, which are felt to have demonstrated even more conclusively than before the identity of views and the solidarity of Great Britain and France. The *communiqué*[2] is reproduced with approval, and emphasis is laid on the desire expressed by the two Governments to cooperate for general appeasement, as well as on M. Chautemps' statement of the harmony of the discussions and the complete agreement reached. The declaration that His Majesty's Government are interested in the maintenance of peaceful conditions in Central and Eastern Europe is particularly welcomed, and there is no doubt of the allaying of the fear that as a result of his visit to London M. Delbos would be obliged to make his Balkan tour[3] lukewarm is largely responsible for the relief expressed.

On the Left, Péri in *L'Humanité* (Communist) is less critical than usual. He objects to the fact that, as in The King's Speech, no mention was made of the League of Nations, but says that the worst has been avoided. The *Populaire* (Socialist) is enthusiastic. In the *Oeuvre* (Socialist Radical) Madame Tabouis writes that those who wished for a separate agreement with Germany have been disappointed, that Great Britain in diplomatic terms has refused a colonial cession to Germany, and that Mr. Chamberlain has declared that England does not disinterest herself from Central Europe.

Most of the Press of the Centre is extremely gratitifed, though Saint-Brice, in the *Journal*, is pessimistic as regards the future.

On the Right, Pertinax, in the *Echo de Paris*, is happy that the fear of a separate Anglo-German agreement has been banished by the explicit assurances given by Mr. Chamberlain. D'Ormesson, in the *Figaro*, while criticising some of the terms employed in the *communiqué*, praises its spirit. The *Jour* states that the British Ministers expressed the desire to leave the Soviet

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[1] Not kept in F.O. archives.

[2] See Annex to No. 354.

[3] See No. 331, note 3.

Union out of the coming European conversations. In the *Ordre*, however, Givet is afraid that grave, perhaps irreparable, imprudences may have been committed, and takes Mr. Chamberlain's statement that the time has not yet come for an extension of the conversations to other interested Powers to mean that separate conversations may be pursued with Germany.

No. 358

Extract from Cabinet Conclusions No. 45(37) of December 1, 1937

[C 8278/270/18]

5. The Secretary of State for Foreign Affairs reported that the Anglo-French conversations of the two previous days had begun with a statement by the Lord President of the Council on his visit to Germany, which had been as full and as frank as that given to the Cabinet at the Meeting referred to in the margin.[1] The statement had obviously made a favourable impression. The French had noted that Herr Hitler had made the point that there was no connection between the colonial questions and that of the Central Europe and the other questions raised. The Lord President had explained that he made clear that this was not his attitude.

On the subject of Central Europe the French Ministers had said that there were two possible policies: (1) to disinterest ourselves, and (2) to interest ourselves in a spirit of conciliation. On the question of the *Sudeten-Deutsch* in Czecho-Slovakia, the British Ministers had urged the importance of meeting legitimate grievances, and had asked M. Delbos, on the occasion of his coming visit, to try and find out what concessions Dr. Beneš was willing to make, as this would be most useful in our approaches to Berlin. The French Ministers had agreed, but had pointed out that the Germans preferred bilateral negotiations with Czecho-Slovakia and had doubted what sort of reception they would give to our friendly and pacific efforts.

On the subject of Austria it had been agreed that the situation was rather different. The last declaration had been that of Stresa,[2] when Great Britain, France and Italy had agreed in the maintenance of the integrity and of independence of Austria as a necessary element in European peace. The French Ministers had pointed out that the Italian interest in Austria had somewhat weakened, but did not think that they had entirely disinterested themselves in that country. They agreed that the Austrian Government had shown great courage, and their information corresponded to ours, that Dr. Schuschnigg's position had improved. They had agreed also that Austria must take a place in the negotiations with Germany and that it might be useful to obtain a repetition of the German declaration of last July.[3]

Disarmament was considered by the French Ministers to be of capital importance in a settlement. The British Ministers had expressed the view that qualitative disarmament held out better prospects than quantitative, and the

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[1] See No. 346.

[2] See Volume XII, No. 722.

[3] See Volume XVI, No. 436, note 4.

French Ministers had undertaken to look into this. The French Ministers had insisted that some measure of disarmament was essential to any arrangement.

On the subject of the League of Nations and its constitution and powers, the Lord President had pointed out that the Germans could not face rejoining so long as the nominal powers of coercion were maintained. On this point the French Ministers had not been so rigid as had been anticipated. They wanted, however, to keep Article 16 for regional agreements even if it was not retained for general use. They had not rejected a suggestion to consider a solution proposed by the Scandinavian Governments in favour of leaving to the League the faculty to apply sanctions. At the outset, however, the French Ministers thought it would be better not to raise these particular issues. They recalled that Herr Hitler himself had asked why other nations were so anxious to have Germany in the League when the United States of America was not a member, and had suggested that a League without Germany was a possibility.

On the subject of colonies the Prime Minister had made clear our view that if France and Great Britain discussed the question, even among themselves, it was only as part of a general settlement and not a question standing by itself. The French agreed with this view. The Prime Minister had given a frank account of our own difficulties over Tanganyika and had made clear that the French would not be asked to make a sacrifice if Great Britain was not prepared to do something corresponding. The Prime Minister's statement had been received with warm thanks by M. Chautemps, who had made clear that the French Government was far in advance of public opinion in France on this matter. The Government would, as part of a general settlement, be prepared to make some sacrifice, but public opinion had not yet reached that point. M. Chautemps had made clear that the Prime Minister's statement would be a great help to him. He had given a formidable catalogue of the difficulties that beset this question, but the points of view of the two Governments had proved to be very similar. Both Governments had agreed that much more exploration was required both as to what each Government could contribute and as to what was required in the approach to Germany. There had also been agreement as to the delicacy of any possible approach to Belgium and Portugal, the latter of whom had not received any colonial territory under the Treaty of Versailles.

There had also been some discussion about the Locarno Treaties, and it had been agreed that some agreement in Western Europe was essential to a general settlement.

So far as the Far East was concerned, the French Ministers had shared our own views but had displayed a good deal of irritation at the attitude of the United States of America.

In discussing Spain the French Ministers had taken the initiative in praising the policy of non-intervention which had led to the inclusion of this matter in the published *Communiqué*.[4] The present French Government did not appear to be much under the influence of ideological complexes.

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[4] See Annex to No. 354.

In discussing Italy the French Ministers had shown more signs of irritation than on any other subject. This was largely due to a Press campaign in Italy about a speech alleged to have been made by the French Minister of Marine,[5] which was denied altogether by the latter. The British Ministers had argued in favour of some approach to Italy, and it had been agreed that the Italian Government should be informed that we were willing to take up the proposed conversations and that the French Government had been consulted and had agreed to this course. The French Ministers had insisted, however, that a stop must be put to Press polemics and propaganda. The French Ministers had not been much disturbed about the Italian reinforcements to Libya. They themselves had sent some reinforcements to Tunis, not so much because they were apprehensive of the fact as to reassure public opinion.

Summing up his impressions, the Secretary of State said that the talks had been very useful, particularly in achieving the following four points:

(1) They had set at rest the rumours of a divergence of view between the British and French Governments in the matter of policy towards Germany and on the colonial question:
(2) They had convinced him that France was as anxious as we were to induce the Germans to come to terms:
(3) There had been no sign that the French Ministers desired to be lined up with a Left *bloc* in Europe: neither did they appear to be in any way under Russian influence: in fact they had shown some misgivings as to the future of Russian foreign policy after the elections now in processs. They had also shown some anxiety as to Polish foreign policy.:
(4) The conversations had enabled us to take an indispensable first step in the direction of some dealings with Germany over colonies, and the views of the two Governments had proved to be identical.

He warned the Cabinet, however, that progress was bound to be slow. It was important to avoid sensation and public discussion, and in his view the result might well depend upon our rearmament.

The Prime Minister supplemented the statement by the Foreign Secretary.

Referring to Central Europe, he said the view of the French Ministers had been that Germany was aiming at the absorption of Austria and part of Czecho-Slovakia. At one time it had looked as though they were going to press the British Ministers to adopt some more forthcoming attitude in Central Europe. No encouragement had been given them, however, and finally they had agreed that appropriate concessions might be made by Czecho-Slovakia and that an attempt should be made to reach a general settlement with Germany. They had agreed that there was no likelihood of immediate German intervention in Czecho-Slovakia or Austria but that the Germans expected to get what they wanted in due course. If we also desired to postpone the issue there was the possibility that it would settle itself and never arise. As to Signor Mussolini and Austria, the French Ministers had agreed that better relations with Signor Mussolini might have the effect of reviving his interest in Austria, in which case his co-operation might be valuable.

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[5] M. Campinchi. He was accused in the Italian press of making a speech at Toulon on October 23, 1937, in which he declared that war with Italy was 'not only inevitable but necessary'. A denial that such a speech had been made was issued in Paris on November 25: see *The Times*, November 27, 1937, p. 11.

The most difficult section of the negotiations had been that relating to colonies, which was harder for us than for the French. With France it was only a question of whether they could cede Togoland and the Cameroons. In our case exchanges of territory to meet the strategical difficulties, of which the Cabinet were aware, had to be taken into account, and these involved serious problems. He proposed that the question should be referred in the first instance to the Cabinet Committee on Foreign Affairs, which would report in due course to the Cabinet.

So far as Germany was concerned, the only action he contemplated was to warn the Government that some time would be necessary for the study of these questions and that they must not be disappointed if there was some delay.

He also proposed that conversations should be taken up with Signor Mussolini.

The Secretary of State for Foreign Affairs said that he had arranged to see the German Ambassador the same afternoon.[6]

The Prime Minister, answering a point raised by the Lord Chancellor, said that one of the difficulties of the negotiation was to obtain a fair makeweight for colonial concessions, since Germany only had assurances to offer. So far the minds of those who had considered the matter had worked in two directions: first, German association with the League, and, second, disarmament. The latter was the more important in this connection, as if some measure of disarmament could be carried out it would be in the nature of a guarantee.

Replying as to the form which the negotiations would take, the Prime Minister said that our idea had been to take the initiative ourselves but to keep the French informed as to the progress made. The French Ministers had not objected to this procedure, provided that they were brought into the negotiations at the appropriate stage.

So far as the negotiations with Italy were concerned, the French Ministers were particularly anxious that conversations should not take place from which they were totally excluded. He and his colleagues had proposed to get over this difficulty by telling the Italian Government at the outset that our proposals resulted from talks with the French Government, who would have to be brought in at the appropriate stage.

The Secretary of State for Air suggested that the negotiations on different subjects ought to be more or less contemporaneous.

The Lord President of the Council agreed that the discussions ought to be simultaneous, as parts of one whole. He raised the question, however, of what was meant by the phrase 'a general settlement'. He recalled that the Staff of His Majesty's Embassy in Berlin had suggested that the German idea of a general settlement was rather different from our idea. It might be found that the Germans wanted to stand out of the League of Nations and were making every difficulty about disarmament.

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[6] See No. 360 below.

So far as Central Europe was concerned, even the French had admitted that the utmost we could hope for would be to get the Germans to repeat previous undertakings. The real difficulty about a general settlement arose from our doubts as to whether the Germans were reliable. Obviously there could be no certainty about this—but we must probably rely upon (a) the better relations we might hope to create through an all-round discussion and settlement; and (b) the self-interest of Germans not being for war.

The Minister for Co-ordination of Defence rather demurred to the idea of asking the Germans to repeat the assurances they had given in Central Europe. This might revive their oft-repeated complaint that they were treated differently from other nations. It might be better to refer to their undertakings and to assume that they intended to carry them out.

Referring to the League of Nations, he pointed out that the French insistence on Article 16 had been one of the hindrances to improved relations with Germany.

As to the re-armament programmes, he stated that production was now taking place. For example, in the near future he hoped to report satisfactory arrangements for the production of anti-aircraft guns. When the Foreign Secretary spoke of success depending on our rearmament programmes, did he merely mean the completion of those programmes or their intensification? The latter could not take place except by revoking the decision not to interfere with civil industry, which he assumed at the present time was out of the question.

The Secretary of State for Foreign Affairs said he referred to the programmes rather generally, and had not mentioned either the pace or the degree of rearmament.

The President of the Board of Trade said that as this question had been mentioned he felt he ought to warn the Cabinet that there were some signs of a recession of trade and manufacture, the first symptoms of which were a fall in commodity prices. If this were continued an acceleration in armaments might be very helpful.

The Secretary of State for Foreign Affairs, in reply to a question, said that French armaments had been discussed to a certain extent at the meetings.

So far as air armaments were concerned, the French Ministers had explained that they had a very expensive Army and that they had to do a certain amount for the Navy; consequently the Air Force had fallen a little behindhand, but that they were going to spend a good deal of money, and he understood that they were going to make purchases in America.

The First Lord of the Admiralty presumed that the eventual aim in contemplation was a new Treaty to replace the Treaty of Versailles.

The Cabinet took note

(a) That the Secretary of State for Foreign Affairs would warn the

German Government that the matters raised in the conversations between the Lord President of the Council and Herr Hitler would require a good deal of exploration and that they must not be disappointed if some time elapsed before a further approach could be made:

(b) That the question of colonies would be studied by both the British and French Governments with a view to a further interchange of views:

(c) That the British enquiry would be undertaken in the first instance by the Cabinet Committee on Foreign Policy:

(d) That steps would be taken with a view to a start being made with the proposed conversations with Italy, and that the Italian Government would be told that our approach was made after consultation with the French Government.

It was agreed that the French Government should be kept informed and that no Anglo-Italian bilateral agreement should be concluded on matters of concern to France. It was recognised also that any prospect of a successful outcome to Anglo-Italian conversations would be very dubious in the atmosphere created by the Italian propaganda now being carried on against this country and France. If therefore the conversations were to lead to any result it would be necessary that the propaganda should cease to enable them to be brought to a successful conclusion.

No. 359

Minute by Sir O. Sargent

[*C 8377/37/18*]

FOREIGN OFFICE, *December 1, 1937*

The Belgian Counsellor called my attention this afternoon to the reports which have appeared in the *Daily Telegraph* and *Daily Mail* (attached) to the effect that Hitler had asked that the Belgian Congo should be included in a scheme whereby the exploitation of certain African territories should be handed over to a chartered company controlled by Germany. This idea is further developed in yesterday's *Evening Standard* (also attached).[1]

It is clear that the French have leaked, and I think that we may have in consequence to give assurances to both Belgium and Portugal. Meanwhile I told M. de Lantsheere that Hitler had made no definite proposals regarding the colonial question, and that he should not attach any importance to these stories of chartered companies etc. As he knew, the Germans when discussing the colonial question were very apt to put forward schemes of this kind, but that did not in the least mean that they had been officially formulated by the

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[1] The cutting from the *Evening Standard* was dated December 1. It included a map of Africa indicating the Cameroons, the Belgian Congo, Angola, and French Equatorial Africa as the territory in which Germany was supposed to be interested.

German Government; still less that they were being considered over here. M. de Lantsheere suggested that the idea of a chartered company was the kind of thing that might have emanated from Schacht, and I did not disagree with him.[2]

O. G. SARGENT

[2] Sir R. Vansittart minuted: 'I don't think this need be a *French* leakage. It is an obvious speculation based on a good many *German* leakages & speculations . . . Mr. Leeper shd also do something to discredit these press speculations. R.V. Dec. 1.' Mr. Leeper wrote: 'We have strongly advised the press to leave these speculations alone. R.A.L. 4/12.'

No. 360

Mr. Eden to Sir N. Henderson (Berlin)

No. 1445 [*C 8280/270/18*]

FOREIGN OFFICE, *December 1, 1937*

Sir,

The German Ambassador came to see me this evening when we had some conversation on the situation which had been created by the visit of the French Ministers to London.[1] I began by saying that in our view the statement of policy set out in the *communiqué*[2] of yesterday could be held to show a marked advance when viewed from the German standpoint. This was the first time that the question of colonies was even mentioned in an international *communiqué* and that such mention should have been accepted not only by ourselves, but also by the French Government, was, we felt, a factor which the German Government would not be slow to note. I had been glad to note that the German press reports, so far as they had reached me, indicated that the German Government appreciated this. At the same time His Excellency would appreciate that it was not possible for His Majesty's Government to deal with this question in isolation. On that subject also the *communiqué* was clear. The Ambassador asked me what were the other subjects which we contemplated as part of a general settlement. I would be aware that the German Government considered that they had a right to colonies quite apart from any other considerations, and he himself would deeply regret it if this colonial question became embedded in a number of other political questions which had been impossible of settlement in the past. I replied that His Excellency must also appreciate that His Majesty's Government had been asked to consider the cession of colonial territory. This was a formidable request to put to the British public. I was quite clear in my own mind and His Excellency would no doubt share my view from his knowledge of British opinion, that it would be quite impossible for His Majesty's Government to contemplate the cession of colonial territory unless they received some counterpart. What was that counterpart? I was not in a position to tell him in detail at the present time, but it could be generally summed up in the sentence: 'an increased sense of international security and enhanced prospects of the preservation of peace.' An indispensable element in such a counterpart would be an arms agreement.

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[1] See No. 354.

[2] See *ibid.*, Annex.

2. The Ambassador remarked that the trouble about the question of armaments was that it affected not only His Majesty's Government and Germany and France, but also Russia and Japan. I admitted this, but said that though there would of course be great difficulties in the negotiations, there were also great difficulties in our contemplating the cession of colonial territory. We were now engaged in a period of study of this question. We and the French Government would each have to examine the problem and this process must inevitably take time. We felt that the German Government would understand this and that we were justified in asking them to do what they could to create a helpful atmosphere while this work was being done. If I might mention one consideration which had been put to me today by the Prime Minister himself; it would be helpful to us if while this work was being done the German Government would not engage upon colonial propaganda of the kind which consisted in saying with increasing force: 'Germany must have colonies. Germany has a right to colonies. Germany shall have colonies,' and so forth. The Ambassador would know enough of the British character to be aware that language of this kind was not calculated to facilitate a settlement and indeed was more likely to bring out a contrary reaction in our opinion. Herr von Ribbentrop laughed and said that he appreciated the force of that reasoning, but he reiterated his apprehensions at the prospect of the colonial question being involved in some prolonged negotiation on other subjects.

3. I then explained to His Excellency that when the French Government and ourselves had definitely formulated our ideas on the colonial question and also upon the other matters in respect of which we should wish to approach the German Government, we would communicate further with them. But this process must take some considerable time. The Ambassador appeared fully to accept this.

4. His Excellency then asked me a number of questions about the course of the conversations. Had Austria and Czechoslovakia been mentioned? Did we think there was any chance of M. Delbos urging counsels of moderation on the subject of the *Sudetendeutschen* when he went to Prague? On the latter point I replied that I was convinced that the French Government were as anxious as we were ourselves to see improved relations between Germany and Czechoslovakia. The Ambassador would be aware that we had already given advice in Prague which was intended to be helpful, and I felt sure that M. Delbos' contribution would be essentially constructive also. As regards Austria we had recalled that the last statement in respect of that problem had been made at the Stresa Conference under the auspices of Italy.[3] It had always been my view that Austria was even more an Italian interest than a French or British interest. The Ambassador would know more than I about the present views of Italy on this matter. Herr von Ribbentrop smiled and merely added that we would be aware that the Austrians were a German

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[3] See Volume XII, No. 722.

people and that closer relations between Austria and Germany some day were quite inevitable. I replied that this was a matter no doubt both for the Austrians and for the German people, but at the same time His Excellency would know that we would always be opposed to any solution which savoured of the use of force.

5. We then spoke of the League and I explained that, anxious as both our Governments were for Germany's return to that institution, we thought that probably this was less important than a really effective arms agreement.

6. The Ambassador went on to ask what we had said about the Mediterranean. I admitted that we had discussed this subject, that we had taken note of the Italian troops in Libya, that we regretted their large numbers, but were not unduly apprehensive on account of their presence. We were agreed on the desirability of improving relations with Italy, but thought that the atmosphere could only be improved if the propaganda which Italy was at present so actively directing against us and the French Government were to cease. In this respect I told the Ambassador quite frankly that our relations with Germany today were better than our relations with Italy. The Ambassador asked whether there was very much of this Italian propaganda, and I replied that we had of course full information on it and that there was a great deal of it.

7. Herr von Ribbentrop expressed considerable surprise at the reports which appeared in the Belgian press that Germany had suggested some consolidated colony on the west coast of Africa to which Portugal and Belgium should contribute.[4] He said he felt sure that this did not represent the Chancellor's view and felt it could not be more than a rumour. Had anybody else spoken to Lord Halifax in this sense when he was in Germany? It was of course possible that some other Minister had done so, but the Ambassador felt quite sure the Führer would not himself have put forward any such proposal. I replied that I was quite sure from Lord Halifax's record[5] that the Ambassador was right. If my memory served me well, I thought that possibly one or other of the distinguished Germans to whom Lord Halifax had spoken might have referred to the matter in general terms; possibly for instance, Dr. Schacht had done so. Herr von Ribbentrop remarked that Angola had always been a special theme of Dr. Schacht's but his views in this matter did not represent the views of anybody but himself.

8. The interview was generally a friendly one and the Ambassador intervened more than once to ask whether I felt optimistic as to the possibility of some agreement being at length reached. I replied that I was optimistic, but that a contribution to such an agreement would have to be made by everyone. After all the heaviest contributon was asked from us. It was we and France who were being asked to make territorial concessions.[6]

I am, etc.,

ANTHONY EDEN

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[4] Cf. No. 359.

[5] No. 336.

[6] Herr von Ribbentrop's account of this conversation is printed in *D.G.F.P.*, Series D, vol. i, No. 50.

No. 361

Sir N. Henderson (Berlin) to Mr. Eden (Received December 3)

No. 1067 [*R 8008/303/3*]

Confidential BERLIN, *December 1, 1937*

Sir,

I mentioned to the Minister for Foreign Affairs, in the course of a visit which I paid him yesterday, that General Göring had told me that his intended visit to Austria[1] had been abandoned. Baron von Neurath said that this was so and took the opportunity to inveigh against Dr. Schuschnigg, whom he accused of consistently acting contrary to the spirit of the 1936 agreement.[2] The Austrian Chancellor was, he said, as much a dictator as Stalin and his persecution of all those who were opposed to his minority Government could not be tolerated indefinitely. I could not ascertain from him, however, what he meant, or whether he meant anything by this somewhat ominous observation.

2. I was interested, nevertheless, by the fact that, whereas on previous occasions Baron von Neurath has always asserted that the Nazi sympathisers in Austria represented at least 70% of the population, he reduced his claim this time to from 50 to 60%. If, he added, Dr. Schuschnigg honestly believed that this was not so, why did he so persistently refuse to allow elections to take place? By that means alone could the true will of the population be ascertained. Germany was prepared to accept the result of them, even if only 25% voted for a closer union with the Reich.

3. I told His Excellency that I had little belief in estimated percentages: if he had said 10% were out-and-out Nazis and 10% irreconcilable anti-Nazis with a more or less inconstant 80% in between, I should be more ready to believe him. But even if 100% of the Austrian population desired the Anschluss, I would still regard it as a disaster if it were to take place in present circumstances. Vienna was the sole remaining centre of truly independent German culture. German culture had rendered great services to the world in the past and at the moment it was lost to the world under a régime which deprived it of all liberty of thought and expression and compelled it to conform to strictly Nazi doctrines and *Weltanschauung*.

4. Baron von Neurath did not deny the truth of this but asserted that there was in any case no present idea of the simple incorporation of Austria in the Nazi Reich. If it came about it would, he said, come by stages and in a form which would not affect the liberty and independence of Austrian local government. In this connection, also, he mentioned confidentially that he had recently had a most interesting conversation with the Führer, who had explained to him his ideas on the future of the Nazi system of government. His Excellency stated that he had been amazed at the breadth of Hitler's views and vision on the subject. Unfortunately he gave me no details of their nature

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[1] See No. 302.

[2] See Volume XVI, No. 436, note 4.

beyond observing that Hitler fully realised that it was impossible to keep a population perpetually worked up to a high pitch of nervous exaltation and that it would be found necessary gradually to ease the tension and allow life in Germany to develop along more normal lines.

5. I am forwarding a copy of this despatch to His Majesty's Representative at Vienna.[3]

I have, etc.,
NEVILE HENDERSON

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[3] Sir O. Sargent minuted on December 6: 'Sir N. Henderson spoke well.' Sir R. Vansittart added on December 7: 'Yes, very healthily.'

No. 362

Sir N. Henderson (Berlin) to Mr. Eden (Received December 3)

No. 1068 [*C 8315/270/18*]

BERLIN, *December 1, 1937*

Sir,

I asked Baron von Neurath yesterday[1] what he thought that Hitler expected as the result of the visit of Lord Halifax. He replied 'not much', but modified this statement by saying that it was because it was difficult to see how things could move very fast. As long as the Spanish sore was still running it would not be easy to achieve agreement between the various Powers; not, he explained, on Germany's account so much as on Italy's and the mistrust of others as regards her intentions in Spain.

2. I asked Baron von Neurath what news he had respecting that country. Catalonia was, he replied, in a bad way but Franco was going too slowly. One more victory might settle the whole affair, though possibly Franco's hesitation was due to the hope that the collapse of Catalonia might save him exposing his troops to further useless losses.

3. In any case, His Excellency's view was that until Spain was out of the way, which it did not look like being for some time, no decisive progress towards a better understanding between the London-Paris and Berlin-Rome axes was likely. He did not seem perturbed over this as he described the present position between Great Britain and Germany as one of *détente*. The only trouble now was, he said, the Press, and he instanced the case of Mr. Voigt, of the *Manchester Guardian*.[2] Nevertheless, he added, the deterioration which had set in a year and a half ago had been checked and there had been an improvement in the course of the last six months such as he had not believed to be possible. I fancy he was referring more to an improvement in England than in Germany, though even here I would regard the German attitude as distinctly more inclined to be friendly. Somewhat sceptical, may

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[1] Cf. No. 361.

[2] See No. 366, note 3 below. Mr. F. A. Voigt was Diplomatic Correspondent of the *Manchester Guardian*.

be, as to the possibility of a real understanding, but not so determined to refuse to believe in it at all.

4. Generally speaking, I should estimate the effect of the visit of Lord Halifax as follows: it has given distinct encouragement to the more moderate classes of German life, as well as to the general mass of the population which assuredly has no desire to go to war again and at heart is friendly disposed to the English. At the same time so much has been written during the past two years of a nature hostile to the British, that a considerable section of the German people finds it hard to modify the preconceived views which were being incessantly instilled into their minds and consequently remains suspicious of British intentions or, at most, is not inclined to do more than adopt an attitude of 'wait and see'. There is also a third body of opinion, which I would estimate as much smaller than the other two, though not without influence and close connection with Hitler, which is definitely opposed to Great Britain and would much prefer to strengthen the Berlin-Rome axis or alternatively to envisage the possibility of joining forces one day with Russia.[3]

5. The Russian bogey is, in fact, one with which the Germans like to play, nor can it be summarily dismissed. The other night I was dining with Field Marshal von Blomberg and in the course of a long conversation with him and General Göring—chiefly about Hitler—both impressed upon me that Stalin was not likely to survive much longer, that Russia would probably then revert to extreme nationalism and that Germany had only to hold out one finger for it to be grasped enthusiastically by Russia. Hitler himself was, they said, the sole obstacle to such a policy and unless he countenanced it, it would never be adopted, though it was in the background of the thoughts of many people in Germany. Hitler, however, had other ideas for the welfare of Europe, apart from Germany, and civilisation generally and as long as he held them nobody would or could say or do anything to the contrary.

6. According to the Field Marshal, if Hitler ordered the German army to march to the North Pole and conquer it, it would march without even reasoning why. The language which these two men held about their Führer was in fact remarkable, even though I have often been impressed by the intense loyalty of General Göring who, in all my conversations with him, always stresses the fact that it is Hitler alone who can decide anything or express definite views on policy generally. Moreover, according to both of them, their devotion in this respect was shared by practically the entire population of Germany. And, added General Göring, if anything happened to Hitler, his tradition would survive possibly, as in the case of Mahomet, in even more fanatical form.

7. Both also referred to Hitler's deep and bitter disappointment over the British attitude towards, and misunderstanding of, him; and Blomberg mentioned, Göring concurring, that, as he had said to Lord Halifax, Hitler's feelings in this respect were comparable to those of a woman whose advances had been rejected. When I interpolated that I hoped that this would not be a

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[3] A marginal note by Mr. Mallet here read: 'Are not these two separate bodies of opinion?'

case of 'He loved her but she did not love him and then she loved him but he did not love her', both emphatically repeated several times that it was still not too late. Nobody expected any rapid developments but they did hope that progress would continue, however slowly, to be made in the direction which, as I have no doubt whatever, these two men at any rate keenly desire. For my part I laid stress on the many obstacles which lay in the way of a better understanding. One of these was, I said, lest the Germans might think that we were desirous of such an understanding out of weakness, which was not at all the case. General Göring replied that he did not doubt this for a moment. Great Britain was strong and Germany was strong and that was why it was just the right moment to come to an equitable settlement of our differences.

I have, etc.,
NEVILE HENDERSON

No. 363

Minute by Sir O. Sargent

[C 8411/270/18]

FOREIGN OFFICE, *December 2, 1937*

1) During the conversations with the French Ministers the Prime Minister stated that he 'wondered whether perhaps they were not a little at cross purposes. His Majesty's Government did not contemplate making any communication to Germany immediately after the present Anglo-French conversation. There was a great deal more to be discussed between the two Governments before that. It would not be wise for the two Governments to commit themselves so far at the present stage, without knowing where they were going'.[1]

I am afraid, however, that if Hitler does not receive from us a direct reply to the proposals he made to Lord Halifax, the Foreign Office will be accused by the German press and Mr. Geoffrey Dawson[2] of once again ignoring a German advance. It is true that the Secretary of State is going to talk to the German Ambassador to-day[3] on the subject of the Anglo-French conversations and I have no doubt that Lord Halifax's visit will also be mentioned, but I doubt whether His Excellency is really a suitable channel for the kind of reply I have in mind. I do not know whether Lord Halifax has already written a 'Collins'[4] to Herr Hitler, but if not I would suggest that it would be advisable that he should do so, even though it could not in present circumstances amount to anything more than what is contained in paragraph 4 of the *communiqué*.[5]

2) The Prime Minister has stated in the House that H.M. Government

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[1] See No. 354.

[2] Editor of *The Times*.

[3] See No. 360.

[4] A letter of thanks for hospitality received: derived from Mr. Collins in Jane Austen's novel, *Pride and Prejudice*.

[5] See Annex to No. 354.

have no immediate intention of extending the Anglo-French conversations to include any other countries.[6] As far as colonies is [*sic*] concerned this lets out Belgium and Portugal. But is it intended to mean that we are not going to discuss the colonial issue with the Dominion Governments either? As a matter of fact this question was discussed with the Dominion Governments during the Imperial Conference (although in a parliamentary answer on November 9th the Dominions Office denied the fact.)[7] It would seem that if we are now to study the question further, as implied in the *Communiqué* ('it was agreed that the subject would require much more extended study'), it will [be] necessary for us to take the Dominion Governments into consultation forthwith. If so, ought we not to consider what machinery should be used for the purpose?[8]

O. G. SARGENT

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[6] See *ibid.*, note 22.

[7] See 328 *H.C. Deb. 5 s.*, col. 1567.

[8] Sir R. Vansittart minuted on December 2 on this proposal as follows: 'I think it will be sufficient if, in order to make sure, Sir N. Henderson is instructed to repeat to Herr von Neurath what the S. of S. has said to Herr von Ribbentrop [see No. 360]. If Lord Halifax cares to write a personal letter, we shd. not discourage him. But I wd. not put the idea into his head. There is nothing much for him to write a Collins about; and I wd. much sooner now get all this back into regular F.O. channels again. As for the colonial question, surely the next thing is a discussion in the Cabinet Committee, before we say anything to the Dominions beyond what we have told them already. And I most devoutly hope that we will refuse to be hurried at any stage of this matter, either by Nazis in Germany or by Dawsons, Astors and Garvins in this country—the funk-brigade in fact.' Mr. Eden indicated his agreement with the first and last sentences of Sir R. Vansittart's minute.

No. 364

Mr. Eden to the Earl of Perth (Rome)

No. 1249 [*R 7999/1/22*]

FOREIGN OFFICE, *December 2, 1937*

My Lord,

I asked the Italian Ambassador to come and see me this afternoon, when I told Count Grandi I wished to take this early opportunity of giving him some account of the conversations which had taken place between the French Government and ourselves in London, more especially insofar as they concerned our relations with the Italian Government. There was presumably no need for me to inform His Excellency of what had passed during Lord Halifax's visit to Germany, since he would no doubt have received a full account from Berlin. The Ambassador indicated that this was so. I continued that just as Lord Halifax's visit to Germany was in no way designed to weaken the Berlin-Rome axis, so also the visit of the French Ministers to London in no way represented an attempt to set up a bloc in opposition to or as a demonstration against the Berlin-Rome axis. It was from this point of view that the last paragraph of the Anglo-French *communiqué* of November 30th was important.[1] While we and the French Government had made it clear that we still stood by our own conceptions of international collaboration, we had made it equally clear that we desired to cooperate with all other countries, including, of course, Governments whose conception of international collaboration was somewhat different.

2. The question of relations with Italy had naturally come under our joint survey. Both the French Government and ourselves were agreed as to the desirability of seeking to improve our relations with the Italian Government and French Government in agreement with our wish for an early opening of the conversations which had been projected between you and Count Ciano in Rome. At the same time we could not but be conscious of the effect upon the prospects of these conversations created by the intensive anti-British propaganda now being indulged in, particularly in the Near and Middle East. It was our view that unless this propaganda both against ourselves and against the French Government could be brought to an end, it would be impossible to create the atmosphere which was necessary for these conversations. In our view therefore the cessation of propaganda such as I had described was an essential preliminary to successful conversations on the lines suggested in your memorandum of the 1st October.[2] We were equally conscious of the danger of embarking on conversations which did not have the best possible chance of success and that was why we thought it better to speak quite frankly to the Italian Government of our views on this propaganda question. It was because we were sincere in wishing for the success of the conversations that I thought it better to speak thus frankly.

3. Count Grandi admitted the necessity for creating a good atmosphere in which the conversations could begin. At the same time he was at a loss to know what view his Government now took of the desirability of conversations and of the conditions in which they should take place. He was not quite sure how they would view the suggestion that conversations could now open on the basis proposed on the 1st October with the additional condition that propaganda should first cease. I replied that that was not how I hoped that the matter would be put to the Italian Government. There was an important new factor. We ourselves and the French Government had discussed our relations with Italy and were in agreement that conversations between His Majesty's Government and the Italian Government should be opened. This was an important new factor. At the same time we did not want the conversations, once opened, to fail and it was our conviction that unless propaganda against us and the French ceased before they were opened the prospects of success would be destroyed. This was why we asked for this contribution from the Italian Government, in order that conversations might open under the best possible auspices.

4. The Ambassador replied that he appreciated the importance of the way in which the question at issue was put to his Government, and we had some further conversation upon this subject. Eventually Count Grandi remarked that the real difficulty for his Government in opening conversations just now

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[1] See Annex to No. 354.

[2] See No. 217.

was that while they realised the difficulties for us about doing anything about the recognition of Abyssinia at this moment, he himself thought—though he had no instructions on this point—that the one thing which his own Government hoped to get out of the conversations was that recognition. All this made rather a complicated situation. I replied that we realised the difficulties of the situation and the importance in Italian eyes which the *de jure* recognition of Abyssinia had now come to assume —an importance very different from that which it held when *de facto* recognition was granted by the withdrawal of our Legation;[3] but the important thing was to make a start. Only thus could we gradually improve our relations. The Italian Government had expressed their anxiety to make a start; now with the full approval of our French friends we were ready to do so on matters which had already been mentioned in the memorandum which we had sent to Count Ciano. All we asked was that conditions should first be made such that the conversations would have the best chance of success. Otherwise they would start and fail, which would only make matters worse and not better. Besides, it was best to talk frankly about the propaganda position. We knew well what the Italian Government were doing and information as to their propaganda naturally reached us from a large variety of sources. We were not taking steps to counter this propaganda. It was quite true that we were broadcasting from Jerusalem in Arabic, but this was 'straight news' and made no pretence of being anything else. At the same time a situation such as this could not be allowed to continue indefinitely without increasing pressure for retaliation in some form or other, which was the last thing that we wanted, for the consequences could not be other than injurious to our relations.

5. Count Grandi said that of course he had no information about propaganda. Ambassadors never had any information on any subjects in these days. His Excellency however did not make more than a very half-hearted attempt to deny its existence.

6. I then told Count Grandi that as an indication that we were sincere in our desire to open these conversations in the best conditions, I would invite him to ask any questions that he wished about our Anglo-French discussions and I would do my best to satisfy him. In the course of the conversation which ensued, Count Grandi showed considerable interest in the Austrian question. I remarked that during our conversations with the French Government we had noted with somewhat mournful recollection that the last occasion on which the matter of Austria had formed the subject of a resolution had been at Stresa. The Ambassador rejoined, 'Mournful, yes indeed', and while Count Grandi was careful to say nothing which would indicate his view of his Government's present policy on the Austrian issue, it was quite clear from his attitude that he himself would strongly deprecate anything in the nature of *Anschluss*.

7. When we turned to discuss the Anglo-French *communiqué* as a whole, Count Grandi emphatically agreed that it did represent a step towards the German point of view. He said that when he first heard of Lord Halifax's visit,

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[3] See Volume XVI, No. 486, note 2.

he had been apprehensive of an attempt to divide Rome and Berlin. After a while however he had appreciated that this was not at all our intention and in view of the explanation he had received from the Foreign Office and the line taken in the British press he was quite convinced that such was not our intention. Indeed he had written a despatch to Rome within the last twenty-four hours, stating that he thought that the Anglo-French meeting might well represent a great opportunity to make progress towards the restoration of European confidence. He even thought for a moment that we were perhaps back in 1925.

8. Finally we agreed that His Excellency should report what I had said to Count Ciano. It might be that the Foreign Minister would then wish for a talk with you on the whole situation, and I said that if that was so, I should naturally see advantage in such a course and that while the view I had expressed indicated our view of Anglo-Italian conversations, we should naturally be ready to consider any observations or suggestions which the Italian Government might have to make.[4]

I am, etc.,
ANTHONY EDEN

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[4] Commenting on a long memorandum (R 8106/1/22) by Mr. Ingram of November 27 (not printed) on the 'Desirability of improving Anglo-Italian Relations and Suggestions to that End', Mr. Eden indicated on November 28 his own frame of mind at this point with the following comments. 'I should like to improve our relations with Italy. At the same time I have noticed that approaches by us are apt to be regarded as weakness, and relations not bettered thereby, unless of course the Italians think we will give something when they are polite until they have got it. This time we have nothing to give since all agree we cannot recognise Abyssinia now. So that I have been in some difficulty to know what we can talk about.' He thought that a combination of three initiatives suggested by Mr. Ingram might provide the most hopeful way of resolving the deadlock: by tackling the propaganda issue; by a Four Power Declaration regarding Spain; and by initiating conversations on the original restricted basis (i.e. of October 1: see No. 217).

No. 365

Letter from Sir N. Henderson (Berlin) to Mr. Eden

[C 8634/270/18]

BERLIN, *December 2, 1937*

Dear Secretary of State,

There are no particular side-lights on the situation here to report upon. I expect Hitler will be here in Berlin till Christmas, if ever you wanted me to tell him anything, though I cannot anticipate that there will be any development of sufficient interest to justify my asking if he will receive me. The trouble about Dictators, from a diplomat's point of view, is their inaccessibility except in cases of great moment.

The German Press preserves a more or less detached attitude and the only point which it can find to register alarm about is the idea of a 'general settlement'. I am inclined to think myself that when, if ever, the time comes for real business, it will be a matter of phraseology. If we, the ex-victors of the war and the authors of the Lloyd George-Clemenceau peace, are prepared to make a generous contribution with a view to establishing the bases of genuine peace and world tranquillity, then we have the right to expect Germany also to put something into the pot towards that end. I fancy Hitler would see that standpoint. It must always be borne in mind that the very last thing he desires is war, or rather the last thing but one, for the last of all is war with England. Whatever anyone may say to the contrary, I am prepared to bank on that.

On the other hand, granted the above premise, the Germans will just sit back and wait, counting on the future to develop to their advantage, rather than be drawn into negotiations with a number of minor Powers on the basis of a general settlement. In my opinion, if we are to advance, we have got to say, 'We are prepared to do this and that as regards colonies. Are you prepared to come and discuss the question in London, it being understood, though not expressly stated,[1] that we shall expect you to put something into the pot?' It will depend ultimately on the language which you may instruct me to hold to Hitler himself when the time comes.[2]

Yours v[ery] s[incerely],
NEVILE HENDERSON

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[1] A marginal comment by Mr. Eden against the words 'though not expressly stated' read: 'This is no good. A.E.'

[2] A note by Mr. Harvey on this letter read: 'Seen by S. of S. who wd like Sir O. Sargent to draft him a reply setting out position as we see it. O.C.H. 3/xii.'

No. 366

Letter from Mr. Kirkpatrick (Berlin) to Mr. Strang (Received December 6)

[*C 8350/270/18*]

BERLIN, *December 2, 1937*

My dear Strang,

I enclose herewith a brief summary of a leading article in last night's '*Börsen Zeitung*'.[1] The Ambassador does not wish to send it officially and exasperate the Office with these further allegations of intimacy between the *Daily Telegraph* and His Majesty's Government; but he thinks you ought to know what is being said.

Incidentally I do not know whether you noticed that Mr. Voigt in the *Manchester Guardian* maintains that the article to which the Germans took exception was inspired by a good source and that he stands by it. At the risk of annoying you, I should perhaps tell you that the Germans have taken note of Mr. Voigt's remarks and are saying privately that since he is known to be a client of the News Department it must be presumed that the good source he refers to is the Foreign Office.

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[1] The gist of this summary was that a suggestion made in the *Daily Telegraph* that Germany had her eyes on the Belgian Congo and Angola rather than African territory under British or South African mandate was a 'conscious misrepresentation': little good would be done if the *Daily Telegraph*, 'which is always supposed to stand close to His Majesty's Government, gives the impression of trying to arouse fears of Germany among the small powers'. Cf. No. 359.

We do all we can, but we are few and the rumour-spreaders many. Incidentally we have not yet entirely succeeded in killing off the story that Mrs. Eden and Madame Litvinov are sisters.[2]

Yours ever,
I. KIRKPATRICK

[2] In a minute of December 10 Mr. C. F. A. Warner, a First Secretary in the News Department, said that Mr. Voigt had in conversation convinced him of the existence of the evidence on which the article in the *Manchester Guardian* of November 24 was based, and that an article by Mr. Voigt of November 26 was written in consequence of this conversation to make it clear that British official circles had no cognizance of it. Mr. Leeper wrote: 'What troubles me about Mr. Kirkpatrick's letters (this is not the only one) is that I am not sure whether our own Embassy do not also suspect the News Dept. of indiscretions with the press. I should like to get that firmly out of their heads in case it still lingers there. R.A.L. 14/12.' Mr. Strang noted on December 16 that he had been told by Mr. Leeper that the six-point memorandum which had been the basis for these apparent revelations had been drawn up by Dr. Dietrich, of the Press Department of the German Ministry of Foreign Affairs, for Lord Londonderry in preparation for an interview with General Goering.

No. 367

Mr. Aveling[1] *(Brussels) to Mr. Eden (Received December 3, 11.45 a.m.)*

No. 93 Telegraphic: by telephone [*C 8296/37/18*]

BRUSSELS, *December 3, 1937*

My Savingram No. 88 of December 2nd.[2]

Pressed to make a statement the Minister for Foreign Affairs declared in the Senate last evening that while he had seen in the press various reports of German intentions regarding the Belgian Congo the Belgian Government had received no communication on the subject. It was unnecessary to say that even if any such proposal were to be submitted to the Belgian Government it would not be entertained for one moment.

All information available regarding the German Government's attitude was a direct contradiction of these rumours and for that reason Monsieur Spaak had received them with scepticism. In this connexion he would draw attention to Dr. Goebbels' denial of any ambitions regarding the Congo made to a Belgian journalist last year and to the Führer's assurance contained in his speech in January last[3] that Germany claimed nothing from those countries that had not taken her colonies away from her;[4] turning to Belgium's attitude towards the question Monsieur Spaak recalled the declaration made by Monsieur van Zeeland to the Senate on February 25th 1936 (see Sir E. Ovey's despatch No. 111 of February 26th 1936)[5] in which he said that the Belgian Government while refusing to believe that in any colonial settlement the integrity of the Congo would be called into question would at the same time if ever that integrity were threatened defend it by all means in their power without exception. To those precise and lucid words Monsieur Spaak had but one thing to add: 'That remains our firm determination'.

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[1] Mr. Aveling had left his post at Warsaw to become Counsellor of Embassy at Brussels from November 11, 1937, replacing Sir N. Charles who in turn had replaced Mr. Ingram at Rome.

[2] Not printed (C 8333/37/18).

[3] Cf. Volume XVIII, No. 129, note 2.

[4] Marginal comment by Mr. Mallet: 'Belgium took Ruanda-Urundi.'

In this connexion Belgian press this morning publishes a *Deutsche Nachrichten Bureau* [*sic*] *communiqué* from Berlin expressing regret that certain Belgian newspapers continue to impute to Germany designs upon the Congo. In well informed German circles the message adds emphasis is laid upon the fact that Germany's colonial claims are limited to her former colonies. It is to be hoped that Germany's point of view will be understood and that the Belgian newspapers will not let themselves any more be duped by manoeuvres whose only object is to stir up trouble.

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[5] Not printed.

No. 368

The Earl of Perth (Rome) to Mr. Eden (Received December 5, 9.30 a.m.)

No. 716 Telegraphic [*R 8036/1/22*]

Important ROME, *December 5, 1937, 12.45 a.m.*

Your telegram No. 368.[1]

Count Ciano has not so far given any indication that he wishes to see me. Meanwhile I submit the following observations:

I fear that the variation of the conditions laid down for the opening of conversations as communicated to the Italian government on October 2nd[2] (I see Italian Ambassador immediately put his finger on 'the additional condition')[3] and the fact that we do not hold out any hope of early progress towards *de jure* recognition is not likely to lead to a favourable reaction here. Count Ciano recently told one of my colleagues in reply to a question that he doubted the utility of beginning Anglo-Italian conversations unless question of *de jure* recognition formed one of the subjects to be discussed. I have previously pointed out that Italian suspicions as to our future intentions will not be completely and finally allayed until such recognition has taken place.

The fact that the French are associated with us in desiring the beginning of the conversations will not in my opinion appeal to the Italian government. Feeling against the French government has been gathering way and is now running high here owing to alleged Campinchi speeches.[4] My Polish colleague recently asked the Minister for Foreign Affairs whether he would like him to suggest to Monsieur Beck that the latter should impress on the French Minister for Foreign Affairs when he visited Warsaw the desirability of a Franco-Italian rapprochement. Minister for Foreign Affairs replied that though he did not wish to dramatize the situation in view of violently hostile line about Italy taken by Campinchi he did not feel it possible to establish friendly relations with a government of which Campinchi was a member. My Polish colleague did not pursue the subject.

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[1] Not printed: it summarized No. 364.

[2] See No. 219.

[3] See No. 364, para. 3.

[4] Cf. No. 358, note 5.

Further, you will recollect that in the conversations which preceded the signature of the Mediterranean Declaration[5] Italy objected to any French participation in matters which she considered should be settled between herself and Great Britain alone.

The condition that propaganda in the Near East and Middle East against ourselves *and French* should cease may therefore well be specially unpalatable at the present juncture.

Indeed the Italian government may feel that our proposals are not of a kind to afford the basis for discussion and they may instruct Signor Grandi to remain silent unless you again raise the subject with him.

Whether Italy or ourselves would benefit the more from an early improvement of Anglo-Italian relations is a question on which opinions may differ. Assuming however that advantage would be mutual it would seem that all we have to offer is the exchange of military information in the Mediterranean while we now require of Italians that they shall surrender one of their main bargaining counters namely propaganda in the Near East and Middle East before conversations begin.

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[5] See Volume XVII, No. 530.

No. 369

Sir N. Henderson (Berlin) to Mr. Eden (Received December 6, 8.10 p.m.)

No. 304 Telegraphic [*C 8375/37/18*]

BERLIN, *December 6, 1937, 7.35 p.m.*

I hear from several sources as well as from Financial Adviser who saw him this morning that Doctor Schacht is incensed at British press indiscretions particularly those of diplomatic correspondent of the *Daily Telegraph* of December 2nd and 3rd both as regards his alleged statements to Lord Halifax concerning compensation for Germany in Belgian Congo and Angola[1] as well as German Ambassador's explanation of them.[2] These reports have certainly put Doctor Schacht in a difficult position. He declared to Financial Adviser that he had never in speaking with Lord Halifax referred to the Congo etc., except to say that if Belgium and Portugal were not prepared to return strips acquired after the war under mandate they should give compensation elsewhere.

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[1] Cf. Nos. 359 and 366.

[2] See No. 360, para. 7.

Belgian Minister also tells me that he has received separate denials from Dr. Schacht, General Goering and Baron von Neurath as regards statements alleged to have been made. He greatly deplored these indiscretions on the ground that they made it quite impossible for Belgian Government even to consider later on the possibility of a deal.

Belgian Minister also told me that force had been lent to these indiscretions by the fact that German Ambassador had asked you for a *démenti* and that you had declined to give one. I denied the truth of this but it might be useful if you would authorise me to do so on your behalf since there is no doubt that someone in the German Ministry for Foreign Affairs told him this.

No. 370

Mr. Eden to Sir R. Lindsay (Washington)

No. 584 Telegraphic [*C 8279/270/18*]

Secret FOREIGN OFFICE, *December 6, 1937, 10.30 p.m.*

My immediately preceding telegram.[1]

Following is summary of Lord Halifax's talks with Herr Hitler. Begins:

Herr Hitler thought formal agreement between Great Britain, Germany, France and Italy not difficult, but not worth much unless it took account of realities, however unpleasant. Poland was a reality for Germany, and that Germany herself was a great Power was another fact that must be recognised. The status quo could not last for ever. Changes could be brought about by (1) play of forces—which meant war; or (2) settlement by reason. We had had experience of (1), and it was therefore imperative to turn to (2), the way of reasonable solution.

But democracies were difficult to do business with, owing to party system and freedom of the Press. All his previous efforts, except the Naval Agreement, had failed owing to this difficulty of doing business with democracies. To this Lord Halifax replied that if an agreement had to wait upon the abandonment of democracy by Great Britain, it was a waste of time to talk of an agreement. Whereupon Herr Hitler said that his reference was mainly to the French democracy.

Herr Hitler's attitude was that the colonial question could be looked upon as the only important direct issue between ourselves and Germany. He trusted that the colonial question could be settled between us and that France and the United Kingdom would examine the problem together and arrive at a solution which they could propose. If there were territories which for strategic reasons we might not wish to give up, it was for us to offer a suitable substitute. Lord Halifax repeatedly pointed out to Herr Hitler that it was out of the question for this or any other Government to touch the colonial question except in the setting of a general settlement which would give our people a prospect of real understanding and relief of the present tension.

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[1] Foreign Office telegram No. 583 of December 6 said that two following telegrams would contain summaries of the Halifax-Hitler talk and the conversations with the French Ministers: cf. No. 356. Sir R. Lindsay was instructed to 'communicate these summaries in the strictest confidence to the State Department for the information of the U.S. Government alone'. Telegram No. 585 giving the second of these summaries is not printed here.

As regards the League, Herr Hitler said that Germany would certainly not join that body, constituted and functioning as at present. He could not understand why we should attach such importance to Germany's membership when we did not mind the United States being outside it. He could not now answer whether Germany would ever return to the League or not.

As for disarmament, it was impossible to see how international agreement could be reached at present on this complicated problem. Herr Hitler did say, however, that German Government was still inclined to the abolition of bombing aeroplanes.

As regards Austria and Czechoslovakia, Herr Hitler pointed out that the German Government had their agreements with Austria which were being respected, and he hoped that reasonable elements in Czechoslovakia would make it possible for the Sudeten Germans to enjoy a status which would safeguard their position.

As regards Central European question, Lord Halifax stressed the importance of nothing being done in any quarter that might have dangerous reactions.

Finally Lord Halifax expressed the hope that the present conversation could be followed up and lead on to some general effort to reach Anglo-German understanding. Herr Hitler said that he hoped we might get away from the atmosphere of 'imminent catastrophe'. The situation in Europe was not dangerous, and of all the nations, only Russia might think of war today. It would be best therefore to go slowly, and future talks of conferences would need careful preparation.

Lord Halifax's talk with General Göring followed more or less the same general lines.

The Lord President of the Council reports that atmosphere and whole conversation was quiet and friendly, although Chancellor showed a certain reserve due perhaps to tiredness or perhaps to a feeling that his outlook has so little in common with that of the Democratic Governments.

German Chancellor and others gave the impression that they were not likely to embark on immediate adventures involving force or at least war—partly because they felt time to be on their side in many of the matters with which they are closely concerned, and partly because they seemed genuinely preoccupied with the evolution of their state and government. Lord Halifax formed the view that they would pursue their objectives in Central and Eastern Europe in a fashion that would be perhaps unlikely to give other nations cause—or at least opportunity—to intervene.
Ends.

No. 371

Mr. Eden to Sir N. Henderson (Berlin)

No. 209 Telegraphic [*C 8280/270/18*]

FOREIGN OFFICE, *December 6, 1937, 11 p.m.*

My despatch No. 1445.[1]

You should take a suitable opportunity of repeating to Baron von Neurath my remark about future procedure recorded in para. 3, in order to make sure that the German Government fully understand that no communication from our side can be expected for some time.[2]

For the rest, you will of course be guided by my language to the German Ambassador, as recorded in the remainder of the despatch.

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[1] No. 360.

[2] Cf. No. 363.

No. 372

Mr. Eden to Sir R. Clive (Brussels)

No. 707 [*C 8393/37/18*]

FOREIGN OFFICE, *December 6, 1937*

Sir,

The Belgian Ambassador came to see me this afternoon and, after expressing regret at the rumours which had attended the King of the Belgians' private visit to this country,[1] His Excellency asked me whether I could give him any information on the vexed question of the German views about the Belgian colonies. Baron Cartier de Marchienne remarked that his memory in these matters went back a very long way. During the time of the Congo trouble it had been German money that had subsidised some of the propaganda in this country against Belgium, and Germany was probably not adverse to stirring up trouble between us. This was the last thing which he desired to see happen and, therefore, he had come to ask me to tell him what Herr von Ribbentrop had said to me about Dr. Schacht.

2. In reply I told His Excellency that neither Herr Hitler himself nor General Goering nor General Blomberg nor Dr. Goebbels had even mentioned Belgium or the Belgian colonies. The only reference had been by Dr. Schacht and there was indeed nothing new in this, for most of us knew that Dr. Schacht had often had this idea of some composite colony for Germany in Africa. His Excellency remarked that he had indeed often heard this report. So far as my conversation with Herr von Ribbentrop went,[2] I added, the matter was not mentioned until towards the close of the interview, when the German Ambassador asked me about the report which had

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[1] Cf. No. 333, note 1.

[2] On December 1: see No. 360.

appeared in a Belgian paper, saying that he was quite convinced that the Führer could not have said anything of the kind to Lord Halifax. I had at once replied that he had not, and mentioned the possibility that the origin had been some other less authoritative source, such as Dr. Schacht. I told Baron Cartier de Marchienne that I was quite clear in my recollection that Herr von Ribbentrop had then treated the matter as being of no importance and had added that Angola had often been a favourite hobby of Dr. Schacht. Somehow or other some report of this conversation had appeared in the Press—I could only presume from a German source since nothing had been said about it at the Foreign Office. Herr von Ribbentrop had since pointed out that what he had said had not been on instructions from Berlin. I could not quite understand his motives in doing this but perhaps he did not wish to offend Dr. Schacht. In any event that was all that had passed and I did not regard it as having any international significance whatever. If ever we wished to discuss the subject of the Belgian colonies, it would be to the Belgian Government and to no other that we should address ourselves first.

3. The Ambassador thanked me for my reply and said that he was much relieved, for its terms were in accordance with what he had himself expected and with the assurances which he had already sent to M. Spaak.

I am, etc.,
ANTHONY EDEN

No. 373

Letter from Sir R. Lindsay (Washington) to Sir A. Cadogan

[C 8279/270/18]

Very Confidential WASHINGTON, *December 6, 1937*

My dear Alec:

As it is so important in these days of international danger, that we should be on the best possible terms with America, I think the recent secret exchanges between this Embassy and the State Department and between the Foreign Office and Hornbeck[1] are of the utmost value; and I am only sorry that you have not been able to give to Sumner Welles the report on the Hitler-Halifax conversation which he asked for (my secret telegram No. 443).[2]

Of course I do not wish to exaggerate the progress made, and we must admit that public opinion which ultimately decides the main question, is still backward, and especially so in the vast gloomy region of the Middle West. Isolationism is passionate and frantic there more even than along the sea boards, and yet there are encouraging features. Everywhere opinion is friendly to us and if the worst were to come tomorrow I think we might feel assured that American neutrality would be of a character decidedly friendly to Great Britain even though the isolationists would try very hard to secure that neutrality should be enforced with technical and literal strictness, and though in their desire to keep out of war at any price they would try to reawaken old prejudices and vamp up an anti-British campaign. But if isolationism is now so rampant, I can't help thinking that this may to some extent be due to a growing suspicion that perhaps it is not altogether the last word of wisdom, and to the fact that some rude writers call it in question with force and with courage. If this is so, then indeed education has made some progress, though that progress must necessarily be slow and painful.

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[1] Dr. S. K. Hornbeck was the U.S. delegate to the Brussels Conference (see No. 272, note 4), and the 'exchanges' referred to were concerned with Far Eastern affairs and will be dealt with in a separate volume in this Series. Cf., however, Nos. 413, 451, 452, 461, and 470 below.

[2] No. 356.

To return to the secret exchanges with which I began, they show not merely that we have a friendly State Department, of which I have long felt assured but also that one can get on terms with Sumner Welles of which I did not feel quite certain till last week. So long as his talents were exclusively devoted to Latin America, in which field the United States never will cooperate with European Governments, his stiffness and reserve always struck a chill into me, as they did to you too, though I did sometimes suspect that there was more warmth in him than appeared on the surface.

Sumner Welles is very competent, a great worker with an excellent memory, very practical and businesslike. He does his work promptly and incisively, and being thus a contrast to the rather woolly and abstract Mr. Hull, it is he rather than his chief who forms the link between the State Department and the President. He is rather vain, and this leads him sometimes to decisions and pronouncements which may be too precipitate to be entirely judicious. He is also ambitious and is said to covet the Senatorship of Maryland, though I daresay he would prefer the Secretaryship of State if anything were to happen to Mr. Hull. There can be no sentimentality in a man whose heart is so much governed by his head, but I think that though he may perhaps suffer from the old complex towards England, he nevertheless has a strong intellectual preference for us over others, and I am perfectly content to [?be] doing work with him.

Yours ever,
RONALD LINDSAY

P.S. December 7th. In view of your telegrams now received[3] I withdraw the regrets expressed above about the Hitler conversations. R.C.L.

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[3] See No. 370.

No. 374

Letter from Sir N. Henderson (Berlin) to Mr. Eden

[*C 8634/270/18*]

BERLIN, *December 7, 1937*

Dear Secretary of State,

I recently asked Dr. Schmidt, the very intelligent and excellent interpreter of the Hitler-Halifax conversation, what impression he thought that Hitler had got from the meeting.

He told me that they had talked it over afterwards with Hitler who was at first inclined to be disappointed at the lack of precision, while admitting that progress, though slight, had been made. But on going into the details, both what was said and what was omitted, he had agreed that more had been achieved than appeared at first.

In reply to what points they regarded as progress, Schmidt said that first of all Hitler had been pleased by Halifax's recognition that Nazi Germany had in fact constituted a bulwark against communism. Then the visit in itself (Hitler had been much impressed by Halifax's personality). Then the omission of all mention of Russia and finally the admission that Great Britain did not insist rigidly on the perpetual maintenance of the status quo.

I told Schmidt that in my opinion what had actually been said or not said was of less importance than the fact that the visit would, I hoped, constitute a turning point from the old course on to a new one.[1]

Yours v[ery] s[incerely],
NEVILE HENDERSON

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[1] For Dr. Schmidt's impressions of Lord Halifax's talk with Herr Hitler see his memoirs, *Statist auf diplomatischer Bühne 1923–45* (Bonn, 1949), pp. 377–9.

No. 375

Letter from Sir N. Henderson (Berlin) to Mr. Eden

[*C 8634/270/18*]

BERLIN, *December 7, 1937*

Dear Secretary of State,

The Italian Ambassador, who is a sincere and single-minded partisan of Anglo-Italian friendship, told me the other day that he had received an account of your conversation with Grandi (after the Chautemps-Delbos visit).[1]

He said, 'Tell the Secretary of State that he is beginning at the wrong end'. When I asked him exactly what he meant he replied, 'By recognition of the *de*

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[1] See No. 364.

jure as well as *de facto* situation'. He took Queen Victoria's assumption of the title of Empress of India as a model and argued the point at length. But the gist of what he said was that there could and would be no real improvement till after recognition, which in the end was inevitable, but that everything would change immediately, propaganda included, once there was recognition.

You must be tired of hearing this so often, but I report it because Attolico is what I have stated him above to be and also because of his conviction that it would serve no purpose to open conversations with Italy before recognition.[2]

Yours v[ery] sincerely,
NEVILE HENDERSON

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[2] The following note by Mr. Eden for Mr. Chamberlain appears on the filed copy of this letter: 'P.M. This may interest you. Incidentally Attolico, the Ambassador in question, is neither sincere nor single-minded partisan of Anglo-Italian friendship! A.E.'

No. 376

Extract from Cabinet Conclusions No. 46(37) of December 8, 1937

[*C 8500/270/18*]

2. The Secretary of State for Foreign Affairs informed the Cabinet that since the last Meeting he had had a conversation with the German Ambassador[1] and had given much information to Ambassadors of other countries about the Lord President's conversations in Germany, as well as about the Anglo-French conversations.

He reported that the Foreign Office had received a number of reports from different sources giving an account of internal difficulties both in Germany and Italy. The Germans appeared to be very much aware of the Italian difficulties. The difficulties referred to were mainly of an economic and financial character. This was a factor to be borne in mind.

[1] No. 360.

No. 377

Extract from Cabinet Conclusions No. 46(37) of December 8, 1937

[*W 22136/7/41*]

3. The Secretary of State for Foreign Affairs reported that the Non-Intervention Committee had met on the previous day and had decided that the answers received from the two parties to the struggle in Spain justified proceeding with the work of preparing the Commissions to be sent to Spain.[1]

[1] The Chairman's Sub-Committee of the N.I.C. held its 72nd and 73rd meetings at the Foreign Office on December 7 at 10.30 a.m. and 4.15 p.m. At the first meeting the committee considered replies from the Spanish Government and Nationalist Government to the proposals

No doubt there were difficulties still to be surmounted, but the Earl of Plymouth had advised him that if matters went well it might be possible to send the Commissions by the end of January. The financial aspect of the Commissions had rather disturbed him, but this did not arise at the moment as there was sufficient money available to make a start.[2]

for the withdrawal of volunteers contained in the N.I.C. resolutions of November 4: see No. 292, note 1. The Nationalist note, dated November 18, was transmitted to the Foreign Office in Hendaye despatch No. 772 of November 22 (W 21300/7/41), and accepted the resolutions in principle with a number of reservations and questions concerning the powers of the Commissions it was proposed to send to Spain. It concluded with the suggestion that each side should withdraw 3000 'volunteers' from Spain, such withdrawal to coincide with the granting of belligerent rights.

The Spanish Government's note of November 30 was communicated to the Foreign Office by the Spanish Ambassador (W 21693/7/41). It too accepted the N.I.C. proposals in principle, but also asked for further information on the Commissions.

[2] In fact disagreement over His Majesty's Government's financial obligations under the scheme contributed considerably to delay in its acceptance. In a note of December 7 enumerating the difficulties still to be overcome in adopting the N.I.C. proposals, Mr. Hemming mentioned larger issues such as the composition of the Commissions, belligerent rights, and the question of the restoration of the observation of Spanish ports, expressing the opinion that financial details should not be too difficult to settle, but in fact at this stage the Foreign Office had not even approached the Treasury for their approval for the necessary funds. The issue of how much His Majesty's Government should pay was extensively discussed in minutes on file W 22028/7/41 dated from October 21 to December 1. In a long minute of November 24 Sir G. Mounsey suggested that as the presence of volunteers in Spain was no longer of great significance either in the Spanish conflict or as a threat to international peace, the N.I.C. should 'go slow' on the scheme, which depended 'on the goodwill and sincerity of those concerned, and [is not] capable of being regulated with success by the promulgation of a complicated and expensive scheme of control'.

Mr. Eden, in a minute of November 25, agreed that the proposed British contribution of £400,000 was far too high: 'Surely the first thing . . . is to get an estimate which more fairly represents the facts. Certainly the Russians would have to pay their share. As to what we would pay, so much depends upon the political significance of the withdrawals, and that again upon the rapidity . . . If the scheme can be simplified in the light of the improved international attitude towards Spain, so much the better, & in any event surely our share should not exceed £100,000, but even that I would not pay for return tickets to Italians after the war was over.' In a minute of December 1 Lord Plymouth said that he had discussed the matter with M. Corbin, who agreed that the sums involved seemed high but did not think that his government would reject the scheme on that score. Foreign Office complaints about the high cost dragged on, however, and it was not until Mr. Hemming submitted a memorandum on December 17 proposing that the governments involved should first raise the sum of £5000 between them to enable the preliminary practical study of the implementation of the scheme that the Foreign Office approached the Treasury, in a letter of December 24, for approval for the £800 which would be the British Government's share of this sum. No further progress was made for some weeks.

No. 378

Extract from Cabinet Conclusions No. 46(37) of December 8, 1937

[C 8477/205/62]

Very Secret

10. The Cabinet had before them a Memorandum by the Minister for Co-ordination of Defence (C.P. 296 (37))[1] covering a Most Secret Report by the Chiefs of Staff Sub-Committee (C.I.D. paper No. 1366B)[2] on the Comparison of the Strength of Great Britain with that of certain other Nations as at January, 1938. The draft Conclusions reached by the Committee of Imperial Defence (303rd Meeting, Minute 3) after consideration of the above Report were as follows:

'(i) To take note of:
  - (a) The warnings contained in the Report of the Chiefs of Staff Sub-Committee (C.I.D. Paper No. 1366B):
  - (b) The statement on foreign policy made at this meeting by the Secretary of State for Foreign Affairs,[3] which, it was agreed, takes proper account of the facts of the situation, including those mentioned in the Report by the Chiefs of Staff:
  - (c) The Prime Minister's observations as summarised in the above Minutes.[4]

(ii) That the Report by the Chiefs of Staff Sub-Committee (C.I.D. Paper No. 1366B) together with the above conclusions (but not the full Minutes) should be circulated to the Cabinet: it being left to the Prime Minister to explain the gist of the discussion to the Cabinet.'

In compliance with the second of the conclusions quoted above, the Prime Minister made a statement to the Cabinet.

He pointed out that in paragraph 41 of their memorandum, the Chiefs of Staff Sub-Committee had summarised their conclusions. In paragraph 42 they had expressed the warnings referred to in conclusion (i)(a) above. From this paragraph, he quoted the following extracts:

> 'From the above Report it will be seen that our Naval, Military and Air Forces, in their present stage of development are still far from sufficient to

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[1] Not printed.

[2] No. 316.

[3] At the C.I.D. meeting on December 1 Mr. Eden referred to points arising both from the Chiefs of Staff memorandum and from his own memorandum of November 26 (No. 348). He concluded that 'The outstanding feature of the present political situation was its extreme fluidity. It was impossible to foretell what the international alignment would be in a year's time. Who, for example, could say what Stalin's reorientation of Russian policy would be? If it should result in a Moscow-Berlin axis, would not this be a more formidable combination that the existing Rome-Berlin axis? In all these circumstances, it was clear that we should make every possible effort to come to terms with each or all of our potential enemies, but not by conduct which would lose us our friends, both actual and potential.'

[4] Mr. Chamberlain's remarks to the C.I.D. were largely repeated to the Cabinet.

> meet our defensive commitments, which now extend from Western Europe through the Mediterranean to the Far East . . . Without overlooking the assistance which we should hope to obtain from France, and possibly other allies, we cannot foresee the time when our defence forces will be strong enough to safeguard our territory, trade and vital interests against Germany, Italy and Japan simultaneously. We cannot, therefore, exaggerate the importance, from the point of view of Imperial defence, of any political or international action that can be taken to reduce the numbers of our potential enemies and to gain the support of potential allies.'

The Foreign Secretary, the Prime Minister continued, had circulated a short paper[5] to the Committee of Imperial Defence dealing with certain aspects of the Chiefs of Staff paper but not pretending to give any general account of our foreign policy. At the meeting of the Committee, however, the Foreign Secretary had made a verbal statement, the general effect of which had been summarised in conclusion (i)(b). He then summarised the main considerations that had been brought to the notice of the Committee. It was true, as the Chiefs of Staff had pointed out, that we could not hope to confront satisfactorily Germany, Italy and Japan simultaneously and, when we looked round as to what help we could get from other nations, the results were not very encouraging. France was our most important friend. Though she was strong defensively and possessed a powerful army, the French Air Force was far from satisfactory. During the Anglo-French visit,[6] M. Chautemps had admitted to an output of aircraft that was only about one-fifth (60–300) of our own. A long time must elapse before France would be able to give us much help in the air. The Power that had the greatest strength was the United States of America, but he would be a rash man who based his calculations on help from that quarter. Our position in relation to the smaller Powers was much better than formerly, but he did not think that they would add much to our offensive or defensive strength. In time of peace their support was useful, but in war less so. The Chiefs of Staff, as he had mentioned, said they could not foresee the time when our defence forces would be strong enough to safeguard our territory, trade and vital interests against Germany, Italy and Japan simultaneously. They had urged that our foreign policy must be governed by this consideration, and they had made rather a strong appeal to this effect. Of course, it would be possible to make an effort to detach one of the three Powers from the other two and it might even succeed. This, however, could only be done at the cost of concessions which would involve humiliations and disadvantages to this country by destroying the confidence of other nations. No-one would suppose, therefore, that we should try and bribe one of the three nations to leave the other two. What the Foreign Secretary was doing was to try and prevent a situation arising in which the three Powers mentioned would ever be at war with us. He recalled that before the trouble had arisen in the Far East, we had been making great efforts to improve our relations with Japan and that considerable progress had been made. Owing to recent events, we had been compelled to break off these negotiations, but we had tried to keep open the position of resuming them later on. We had avoided threats ourselves and had restrained others from making them. The improvement in relations with Italy was not easy, but we had made some efforts to get on better terms, in spite of the difficult attitude of Mussolini and we were about to make a further effort at that end of the Berlin-Rome Axis. As he himself had pointed out before, however, Germany was the real key to the question. In view of the recent consideration given by the Cabinet to the question of improving relations with Germany, it was unnecessary to develop that theme any further. He thought, however, that he had said enough to show that the strategic considerations urged by the Chiefs of Staff were fully taken into account in our foreign policy and that was what underlay the taking note by the Committee of Imperial Defence of conclusion (i)(b) quoted above, namely

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[5] No. 348.

[6] See No. 354.

> '(b) The statement on foreign policy made at this meeting by the Secretary of State for Foreign Affairs, which, it was agreed, takes proper account of the facts of the situation, including those mentioned in the Report by the Chiefs of Staff.'

In the course of a short discussion, attention was drawn to the late Prime Minister's undertaking as to the maintenance of parity between the Air Force of the United Kingdom and that of Germany.

The Minister for Co-ordination of Defence pointed out that Lord Baldwin's statement required interpretation. He had never taken it to mean that we must have exactly the same number of fighters and bombers as Germany in order to carry out the contemplated equality.

The Prime Minister said he did not intend to repeat Lord Baldwin's words and, if the question were raised, he would make it clear that the Government did not consider it necessary to have precise equality in every class of aircraft. It might be necessary to make a statement on this subject before very long.

After some further discussion, the Cabinet agreed:

> To take note of the Report contained in C.P. 296(37), together with the Prime Minister's remarks thereon and summarised above.

No. 379

Mr. Eden to Mr. Newton (Prague)

No. 43 Telegraphic [*R 8261/188/12*]

FOREIGN OFFICE, *December 9, 1937, 4 p.m.*

At the Anglo-French discussions in London just concluded[1] it was agreed in regard to Czechoslovakia that M. Delbos on his impending visit to Prague should speak to M. Beneš on the subject of the *Sudetendeutsch* on behalf both of his own and of His Majesty's Government. He would endeavour to ascertain what was the maximum concession the Czechoslovak Government were prepared to make in order to meet the legitimate grievances of the German minority. He would make this enquiry on the ground of seeking from Czechoslovakia arguments to facilitate any eventual approach by His Majesty's Government and the French Government to Germany in order to obtain as part of a comprehensive settlement assurances from Germany, concerning the integrity of Czechoslovakia.

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[1] See No. 354.

It was made quite clear to the French Ministers that His Majesty's Government could certainly not go so far as to state what their action would be in the event of German aggression against Czechoslovakia. But, if the Czechoslovak Government gave legitimate satisfaction to the Sudeten population, they could be sure of the sympathy of Great Britain as well as of France if, in spite of their concessions, there were an act of aggression by Germany; in fact, the greater the effort the Czechoslovak Government made to deal fairly with the Sudeten problem the stronger would be their position in the face of world opinion in the event of trouble in the future.

Please get in touch with M. Delbos as soon as he arrives in Prague and having acquainted him of our impression as set out above of what was agreed when he was in London do your best to ensure that he intends to speak on these lines to M. Beneš.[2]

[2] This telegram originated in a minute by Sir O. Sargent of December 2 recording a conversation with M. Brett, the Havas representative in London, who had 'evidently received a full account from the French delegation' of the Anglo-French talks, and who expressed doubts as to the wisdom of authorising M. Delbos to speak in His Majesty's Government's name in Prague. Sir O. Sargent agreed, and suggested that 'we ought to telegraph at once to Mr. Newton and give him our impression of what we authorised M. Delbos to say in our name to Dr. Beneš'. A marginal note by Mr. Eden read 'I agree'.

No. 380

Sir N. Henderson (Berlin) to Mr. Eden (Received December 9, 5 p.m.)

No. 307 Telegraphic: by telephone [*C 8466/270/18*]

BERLIN, *December 9, 1937*

I have spoken to the Minister for Foreign Affairs in the sense of your telegram No. 209.[1] His Excellency replied that Chancellor was fully aware of difficulties of Colonial question and that was why he had mentioned three years or more when referring to colonies in a speech which he made after he had met Lord Halifax (see my telegram No. 298).[2] German Government was, His Excellency said, in no hurry and was not in the least expecting an early communication on the subject.

I said I did not think His Majesty's Government would wish to wait as long as that and I urged in the meantime that issue should not be prejudiced by excessive colonial propaganda in Germany. Baron von Neurath promised that it would be damped down but said that it could not be altogether stopped. His argument was that German public would not understand complete silence on the subject and British public would misunderstand it.

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[1] No. 371.

[2] No. 345.

I told His Excellency that I had been disappointed over the outcry in the press here at the very mention of a 'general settlement'. If British public were to be asked to swallow the pill of transferring colonial territory to Germany the latter must sweeten it by contributing her share towards genuine peace of Europe and security of the world which would be fundamental object of our offer. I quite understand that if we made a definite 'conditional' proposal it might give the appearance of a bargain and consequently in view of German sensitiveness produce the opposite effect to that which was intended. At the same time he must understand that we could never make an offer at all if we could not be sure of a definite response. We were particularly interested in re-armament question. The best response of all would, I suggested, be an expression on the part of the Chancellor of his readiness to be helpful in that respect. Why should not Hitler for instance on his own initiative say 'I am ready for my part to cooperate by putting a stop to this mad armament race?' If he added terms on which he would be willing to return to League of Nations all the better. Personally I said that I was convinced that Hitler would be ready to adopt this standpoint if it was so put to him.

Baron von Neurath said that this was the whole point. French Ambassador had recently insisted on general settlement as part of a bargain and he had been obliged to give him what he described as a cold douche[3] though he had made matters right later with Delbos when he met him at the station.[4] Chancellor would, he felt sure, be very ready to play his part if he was given the opportunity. He was for instance still deeply interested on vested[5] and other grounds in restricting aerial bombardment. Though disarmament conference had proved a failure there were other ways of achieving the same object even though actual limitation was now difficult and he hinted broadly, and probably as much as he dared, that if it was put to him, we should not find Hitler recalcitrant. In the meantime as he said finally Germany could afford to wait.

I said that I hoped this did not mean that she wanted to wait till, for example, her re-armament programme had reached such a peak that she would in any case be obliged to slow down. Such a policy besides being expensive might cut both ways though as a matter of fact chief point while we were waiting was to create a better atmosphere and to get away from war mentality which I had found so rampant on my arrival here and which was, though possibly to a lesser extent, still prevalent. I was afraid for instance that it was still being taught in the schools. If so it was a great and unqualified mistake. Von Neurath agreed particularly as regards the folly of war mentality. He denied anti-British teaching in schools while admitting that individual school masters might indulge in it. But the worst thing of all, he concluded, was what he described as 'that damned press'.

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[3] The reference is evidently to the interview with Baron von Neurath on December 2 described by M. François-Poncet in *D.D.F.*, *op. cit.*, No. 296.

[4] M. Delbos left Paris on December 2 for the first stage of his Eastern European tour: see No. 331, note 3. En route to Warsaw he passed through Berlin on December 3 and had a brief conversation with Baron von Neurath while his train was in the station. See *D.D.F.*, *ibid.*, No. 307, and cf. Nos. 312 and 324.

[5] A marginal note suggested that this word should read 'humanitarian'. This is confirmed by a reference in *D.D.F.*, *ibid.*, No. 307.

No. 381

Mr. Eden to Sir N. Henderson (Berlin)

No. 210 Telegraphic [*C 8375/37/18*]

FOREIGN OFFICE, *December 9, 1937, 10.30 p.m.*

Your telegram No. 304.[1] Records of conversations with Belgian Ambassador[2] and Counsellor of German Embassy[3] come to you by bag today, which will help you to disentangle the complications arising out of statements attributed to Dr. Schacht about Belgian and Portuguese African colonies.

As you will have seen from my despatch No. 1445[4] German Ambassador did not on December 1st ask me to deny that Dr. Schacht had made such statements to Lord Halifax. I could not in any event have done so since—as Lord Halifax's record shows—Dr. Schacht did speak on this subject, though there is nothing new in this since his ideas on the subject are well known.

You may, if you wish, so inform the Belgian Minister. For the rest, you may at your discretion make use of the information contained in the records mentioned above if you feel it absolutely necessary, and if you are satisfied that matters will not be made worse; but my own feeling is that the less said on the matter now the better. Interest in the matter has died down and it is clearly undesirable to revive it.

[1] No. 369. [2] No. 372. [3] Not printed. [4] No. 360.

No. 382

Mr. Eden to Sir R. Campbell (Belgrade)

No. 103 Telegraphic [*R 8265/224/92*]

FOREIGN OFFICE, *December 9, 1937, 10.30 p.m.*

You should, as soon as M. Stoyadinovitch returns to Belgrade, invite him to give you an account of his visit to Rome.[1] We do not doubt any of his assurances to us during his London visit;[2] but the quite disproportionate importance which appears to have been given to his visit to Rome is bound to inspire some misivings. You should, in particular, ask whether the joint *communiqué*[3] represents any change in the foreign policy of Yugoslavia towards Great Britain and France. This question is legitimate because, while I do not, of course, wish you to suggest that we view with disfavour the restoration of normal friendly relations between Yugoslavia and Italy—indeed we have always advocated it—the tone of that *communiqué* goes clearly beyond that definition. I refer particularly to the passage which runs: 'the determination has been confirmed to render ever more cordial and close this collaboration in all spheres in the mutual interest of Italy and Yugoslavia'. This might well be read (and will no doubt in many quarters be interpreted) as implying the entry of Yugoslavia into the German-Italian orbit. I understand M. Stoyadinovitch's anxiety and caution; but it is equally incautious to appear to go far in the direction dictated by those anxieties, for this, by creating miscalculations, may tend or contribute to the very situation which M. Stoyadinovitch most comprehensibly wishes to avoid. As is well known, His Majesty's Government dislike the formation of ideological blocs, and I believe that the Yugoslav Government share this view. In any case we hope that the Yugoslav Government will be frank with His Majesty's Government in this matter and will take an early opportunity to dissipate any misunderstandings and suspicions which I fear the exaggerated emphasis on the Rome visit will have generated.

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[1] M. Stoyadinovitch arrived in Rome on December 5 to pay a return visit for Count Ciano's visit to Belgrade in March 1937 for the conclusion of the Italo-Yugoslav Treaty: see Volume XVIII, No. 350. He had talks with Signor Mussolini on December 6 and 7, and left Italy on December 10. In his diary (*op. cit.*, pp. 41–2), Count Ciano described how he had 'taken pains about even the smallest details of the visit' to ensure 'an exceptional welcome' for M.

I am prepared to be told by M. Stoyadinovitch that the demonstrations of Yugoslav-Italian friendship in Rome were organised by the Italians against his wish, but it seems at least doubtful whether this explanation can or will be taken as adequate in present circumstances, nor can it explain the sentence in the *communiqué* to which I have referred.

Stoyadinovitch. Apart from having a high personal regard for the Yugoslav Prime Minister, he also regarded the Italo-Yugoslav Treaty as 'fundamental for our policy', and in his entry for December 10 expressed the opinion that the visit had 'laid the foundations of a possible alliance'.

[2] See No. 249.

[3] A translation of this *communiqué* was transmitted to the Foreign Office in Rome telegram No. 211 Saving of December 9 (R 8308/224/92), not printed. See also *The Times*, December 9, 1937, p. 15.

No. 383

Sir R. Campbell (Belgrade) to Mr. Eden (Received December 11, 9.30 a.m.)

No. 138 Telegraphic [*R 8282/224/92*]

BELGRADE, *December 10, 1937, 8.40 p.m.*

Your telegram No. 103.[1]

1. Monsieur Stoyadinovitch returns only just in time to receive Monsieur

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[1] No. 382.

Delbos.[2] I am afraid therefore it will be the middle of next week before I am able to see him. In the meantime my telegram No. 45 Saving[3] will have provided a partial answer to your enquiries.

2. My reading of the situation is that Italians, knowing Yugoslavia is not prepared to go further than she went in treaty of last March,[4] have naturally sought by all available means to give visit the appearance of meaning more than it does.

3. I anticipate that Monsieur Stoyadinovitch when I see him will say that the extravagant character of his reception was not of his making or choice (I daresay he enjoyed it all the same though he is too shrewd to be caught by mere flattery) and that it was in keeping with the modern publicity methods of the totalitarian states; that as to *communiqué* we need not pay too much attention to words which, whatever interpretation the Italians like to give them, cannot override the text of the treaty.

4. Assuming, as I believe we can, that Monsieur Stoyadinovitch is sincere when professing that he does not wish to tie Yugosalv politics to Italy the mistake which he seems to me to make besides that mentioned in your telegram is in ignoring the natural law that words if repeated often enough have a habit of becoming facts and in thinking that he can indulge however innocently in these manifestations without shaking the confidence of his earlier friends and allies.

5. If I can see the Prince Regent before I am able to see Monsieur Stoyadinovitch I will talk to him on the lines of your telegram and report what he says.[5]

Repeated to Rome.

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[2] Cf. No. 380, note 4. M. Delbos arrived in Belgrade on December 12.

[3] In this telegram of December 6 Sir R. Campbell reported a conversation with M. Stoyadinovitch before his departure to Rome during the course of which the latter said that his visit was 'merely one of courtesy', and that if he should be invited to join the Anti-Comintern Pact he would 'have no hesitation in refusing', as he regarded the division of Europe into ideological blocs as 'the greatest danger to peace'.

[4] See Volume XVIII, No. 350.

[5] A pencilled note by Mr. Eden on the filed copy of this telegram read: 'Sir R. Campbell still seems unduly optimistic. He should be told so.' In telegram No. 104 of December 14 Sir R. Cambell was informed that the points raised in his telegram No. 138 were not felt to 'constitute a complete explanation of these recent manifestations of close collaboration between Italy and Yugoslavia'. Press reports indicated that Italy had made concessions to Yugoslavia as a result of the visit, and it would be surprising if Yugoslavia gave 'nothing but fair words in exchange'. Mr. Eden said he was 'very mistrustful' of M. Stoyadinovitch and would welcome 'any reassurance you may be able to offer me that our confidence in him has not, after all, been misplaced'.

No. 384

Mr. Eden to the Earl of Perth (Rome)

No. 376 Telegraphic [*R 8036/1/22*]

FOREIGN OFFICE, *December 10, 1937, 10 p.m.*

Your telegram No. 716.[1]

Your observations have been considered and the following reflections upon them may help you to see how we view the situation here.

As regards *de jure* recognition, the point of view of His Majesty's Government has been many times explained, notably in my telegrams Nos. 284[2] and 313.[3] As the Prime Minister, as well as myself, has sought many times to explain to Signor Grandi, the Italian Government have none but themselves to thank for the attitude of the League on the subject of recognition. We could not, of course, ourselves contemplate anything in the nature of *de jure* recognition until after some action had been taken by the League as a whole and no such action has, in fact, been possible, mainly because of the attitude adopted by the Italian Government towards the League, aggravated as that was just before last year's Assembly by the piracy campaign, by Signor Mussolini's public flouting of non-intervention and by the Italian Government's refusal to attend the Nyon Conference. Opinion at Geneva, as in this country, will continue to be influenced by manifestations of Italian policy. If that policy seems in harmony with the policy of general European and Mediterranean appeasement no doubt Geneva will be influenced by this fact, just as it will certainly be influenced in a contrary direction by action interpreted, rightly or wrongly, as jeopardising the prospect of peace and progress in those areas. The issue lies, therefore, largely in Italian hands. If Italian suspicions are to continue until recognition has taken place and if Italian language and actions continue to be inspired by those suspicions, the requisite atmosphere will never be attained. It is to avoid entering into this vicious circle that His Majesty's Government are now anxious to proceed by conversations with the Italian Government in order to eliminate the cause of the suspicions and misunderstandings and thereby to help in producing an improved atmosphere.

As regards the cessation of propaganda, this question must be placed in its proper perspective. It would clearly be useless for conversations between us to take place to the daily accompaniment of overt and covert propaganda specifically directed against this country, and in particular at injuring British prestige and policy in the Near and Middle East. Should then Count Ciano raise this question with you, you might then tell him quite frankly that we are fully alive to the Italian propaganda attacks against us, but, instead of taking up each case separately—as we would be fully justified in doing—we have abstained from this course fearing lest it might lead to profitless recriminations, and have judged it wiser to make this general appeal to the Italian Government in the interests of our common object of improving Anglo-Italian relations. If, however, this propaganda continues it is clear that our relations must deteriorate. We have already taken steps to broadcast in Arabic, not propaganda but straight news. We shall inevitably have to consider further steps if Italian propaganda against us continues. Would it not be much better, therefore, at the very outset to make an effort to better this state of things? Then our conversations could take place in a steadily improving atmosphere. In such conditions far-reaching results, which alone are worth while, might be attained. This surely is not so much a case of making fresh conditions as one of dealing with the problem of our relations on a basis of realism. Whereas it is in the power of the Italian Government to stop these manifestations and activities at a moment's notice, it will be realised, so far as the British press is concerned, that His Majesty's Government have not such powers; but if His Excellency will undertake to exert the unrestricted means towards this end which he possesses, His Majesty's Government will, within the restricted measure of their competence, do what they can to keep the press atmosphere here favourable. But His Excellency must realise that that atmosphere will be dependent almost entirely on Italian words and actions. If, therefore, the conversations are to be started at all, or once started if they are to be conducted with any prospect of success, it must be on the understanding that these hostile manifestations will be stopped so that the smooth course of the proposed discussions may not be disturbed nor their satisfactory outcome endangered by public recriminations and polemics.

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[1] No. 368. The present telegram, No. 376, in reply was drafted by Mr. Ingram on Mr. Eden's instructions on the lines of notes 'which he had made of a conversation this morning [December 7] with the Prime Minister and which he expounded to me verbally'.

[2] No. 140.

[3] No. 217.

As regards the association of the French with us in desiring the beginning of the conversations, you will appreciate that there is a fundamental difference between this and French participation in the conversations themselves. (For your personal information, the French do not expect this and are only concerned that no bilateral agreement should be made between us and Italy, which excluded France where French interests were concerned. It should not, therefore, be too difficult for us to make progress with the Italians and safeguard French interests in the process without the French being openly associated in any way with the conversations). We have always held that a democracy could live on terms of amity with a totalitarian state and we have always refused to subscribe to the thesis that the existence of relations of friendship with Fascist Italy must pre-suppose the abandonment of our friendship with democratic France. We are anxious that an improvement in our relations with Italy should not be at the expense of the improvement of Italy's relations with France. It is rather the improvement of relations and appeasement of suspicions all round that is the aim of His Majesty's Government. This cannot be achieved so long as Franco-Italian relations continue to be poisoned by press campaigns and other forms of provocation. If one treatment is accorded to France in this respect and another to Great Britain, fresh suspicions will be created and it will be alleged that Italy is buying off Great Britain at French expense. The importance of avoiding such an untoward development was present to the Prime Minister's mind when he originally discussed 'conversations' with Count Grandi, as will be seen from the *caveat* on this point which he addressed to the Italian Ambassador on August 2nd.[4]

You will observe that I do not in this telegram suggest that you should ask Count Ciano to see you. In view of my interview with Count Grandi I should prefer that you should consult us before taking any such steps. These views may, however, be of use to you in the event of Count Ciano himself asking to see you as I hinted in my interview with Count Grandi that he might wish to do.

[4] See No. 80.

No. 385

Mr. Eden to Sir E. Phipps (Paris)

No. 2332 [*C 8526/270/18*]

FOREIGN OFFICE, *December 10, 1937*

Sir,

The French Ambassador came to see me to-day when he stated that he would be grateful if I could give him any further information as to the German or Italian attitude to decisions taken by our two Governments at their recent meeting in London.

2. I replied that so far as Germany was concerned I had just received a telegram from Sir Nevile Henderson regarding a conversation with Baron von Neurath which on the whole was not too discouraging. I then gave His Excellency the gist of Berlin telegram No. 307.[1]

3. The Ambassador remarked that he understood that very little had passed between Baron von Neurath and M. Delbos on political matters, though, of course, the French Government had appreciated the courtesy of the call.[2] In the main M. Corbin thought that the two Ministers had discussed their press relationships in respect of which the German Government had apparently suggested some little time ago that the French Government should send a representative to Berlin. I understood that the purpose of this was to endeavour to avoid press polemics as far as possible, though the attitude of the German press towards France as towards ourselves is at present much more moderate than the Italian.

4. His Excellency then referred to the reports published in the press of Italy's decision to leave the League.[3] He asked whether we had any explanation of this action which surely required some explanation in view of the fact that the Italian Government had remained in the League throughout the sanctions period. M. Corbin found the decision difficult to justify unless it

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[1] No. 380.

[2] Cf. No. 380, note 4.

[3] See No. 387 below.

was deliberately intended to worsen the international atmosphere. It seemed as though Italy were determined to do all in her power to prevent any international appeasement and that she seized every opportunity to obstruct it.

5. I replied that it seemed to me there were two possible explanations. The first that Germany had placed pressure on Italy to do this, though I was not myself satisfied that this was sufficient explanation; the second that Signor Mussolini had been much harrassed [*sic*] by internal problems and required some further excuse to divert Italian attention to external problems. M. Corbin remained, however, I thought, convinced of the correctness of his own view that Signor Mussolini's action showed Machiavellian malevolence.

I am, etc.,
ANTHONY EDEN

No. 386

The Earl of Perth (Rome) to Mr. Eden (Received December 12, 10 a.m.)

No. 735 Telegraphic [*R 8298/1/22*]

ROME, *December 12, 1937, 1.25 a.m.*

Your telegram No. 376.[1]

I understand and appreciate your point of view about *de jure* recognition and I have repeatedly explained position to Count Ciano using the same arguments as you have done to Count Grandi. But I fear we are not likely to have made much impression because we are talking a language which the Italians cannot or will not understand. He [*sic*] cannot believe that a Government takes moral considerations into account when framing its foreign policy since his is based solely on self interest. As you are aware almost all foreign observers here are agreed that Italy's fear of British intentions—i.e. that we are playing for time until we are ready for our 'revenge'—is very real and largely responsible for Signor Mussolini's present policy.

It is for this reason that I stated we shall never completely allay Italian fears as to our future intentions until *de jure* recognition takes place. Nevertheless I believe we could considerably diminish their suspicions by opening conversations.

You will remember that you informed Count Grandi that if Italy saw her way to accept frankly and wholeheartedly our proposals in the Non-Intervention Committee you considered that conversations could begin with good prospects of success—see your despatch No. 1050 of November 29th [*sic*].[2] Question of anti-British propaganda was to form one of the subjects of these conversations and I believe we could have obtained Italian damping down of this propaganda during the conversations and its final cessation if discussions ended in agreement.

Now however for reasons which I equally appreciate the cessation of propaganda against both ourselves and the French has been made a preliminary condition of the opening of conversations. I am fully conscious of real necessity for preserving our complete friendship with France but in all talks this year about Anglo-Italian conversations the French have never before been mentioned. May we not therefore seem to the Italians to be introducing not only an additional condition as Count Grandi pointed out but an additional factor as well? In these circumstances is it not somewhat natural that Signor Mussolini should draw the erroneous conclusion that we do not really wish to embark on conversations and that we find different pretexts for avoiding them?

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[1] No. 384.

[2] No. 247 (of October 14, 1937).

As you will have seen from my telegram[3] I am doing my best to explain why our position in respect of propaganda has altered but again I doubt whether these explanations will carry conviction. I hope I may be mistaken. Turning to France you may remember that Count Ciano said to me—see my telegram[4]—that he hoped that Anglo-Italian agreement would lead to a betterment of relations between Italy and France; and though he may have secretly wished to sow dissension between France and ourselves he would never acknowledge this and indeed his entire thesis would be that just as an agreement with us must not weaken Berlin-Rome axis so equally it should not harm the Franco-British friendship. Incidentally can we undertake that if Italian anti-French propaganda ceases French anti-Italian propaganda will also cease? I have deliberately refrained from seeing Count Ciano for the last fortnight and if I find I have to do so on current affairs I shall not take any initiative as regards matters discussed in your telegram for which I am grateful.[5]

[3] In his telegram No. 742 of December 13, addressed to Mr. Nichols, Lord Perth explained that the telegram referred to here was his telegram No. 733 of December 11, in which he described a conversation with Signor Pilotti, the Italian Deputy Secretary General of the League of Nations.

[4] Rome telegram No. 742 (see note 3) stated that this reference had not been traced and asked Mr. Nichols if he could help. A pencilled note on the filed copy of the telegram said that the reference was 'not traceable' suggesting however that it might refer to Rome telegram No. 434 of August 5 (R 5403/1/22), not printed.

[5] Foreign Office comments on this telegram accepted Lord Perth's interpretation of Italian reactions. Mr. Ingram wrote on December 14: 'Our action seems to have finally convinced Mussolini that we don't mean business & are out to humiliate him; & he has been influenced in part by this conviction to leave the League [see No. 387 below]. The question now arises as to whether we should do anything further for the moment.' Among alternative courses mentioned by Mr. Ingram the one he favoured was a visit by Lord Lloyd, in his capacity as chairman of the British Council, to Rome for 'a frank talk with Mussolini himself'. Sir O. Sargent on December 15 mentioned as the basis for such a talk the plan to found Italian scholarships in England; the conversation might give an impetus to the negotiations for a general agreement.

Sir A. Cadogan on December 17 thought that the Lloyd visit might take place despite the failure to initiate general conversations: it was 'a kind of spadework that might very well go on'. But he was not inclined to press for an answer about the general talks 'if it is expected to be in the negative'. Mr. Eden indicated his agreement with this view. In a minute of December 18 he wrote: 'It is not possible for us to part with the French to please the Italians, nor would the British public allow us, if we would, to open conversations with the Italians under a barrage of insults. The fundamental difficulty of trying to improve relations with Italy is that Mussolini pursues gangster methods, or so it seems to me. I have no objection to Lord Lloyd going to

Rome. He would no doubt use stiffer language than Lord Perth seems able to do. But we can hardly offer the scholarships at this moment. Mussolini would no doubt refuse to allow his bold & athletic subjects to spend any period of time in the country of the "fat bellies"—or maybe the temptation of cash would persuade him. Anyway such a proposal hardly seems to be practical politics now, though Lord Lloyd might use it as an illustration of what might have been, if he so desires.'

No. 387

The Earl of Perth (Rome) to Mr. Eden (Received December 13, 9.30 a.m.)

No. 737 Telegraphic [*R 8300/655/22*]

ROME, *December 12, 1937, 9.5 p.m.*

My telegram No. 728.[1]

Withdrawal of Italy from the League of Nations was announced last night after a meeting of the Grand Council which lasted three minutes during which a photograph of the proceedings was taken.

After Signor Starace had announced the decision from the balcony of *Palazzio Venezia* Signor Mussolini appeared and spoke to the crowd standing in the pouring rain below.

Italy, he said, had shown unheard of patience. She had not forgotten attempt of economic st[r]angulation but she had expected a gesture of due reparation. It had not come and Geneva atmosphere drowned good intentions of certain Governments. The hour had come to choose. 'In?' he asked the crowd. No! chorus shouted. 'Out?' he cried. Yes! they yelled.

Translation of the speech follows in my immediately following telegram.[2]

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[1] In this telegram of December 9 Lord Perth reported that the Fascist Grand Council had been summoned to meet on December 11 and that it was generally believed that an announcement would follow the meeting 'that Italy has decided to leave the League of Nations'.

[2] No. 738, not printed. Signor Mussolini's speech, in which he referred to the League Council as 'fools, manoeuvred by turbid occult forces, enemies of our Italy and of our revolution', was reported in *The Times*, December 13, 1937, p. 12. Mr. Ingram minuted on December 13 'I can't help feeling glad that it rained', and went on in a long minute of December 14 to analyse Italy's reasons for leaving the League. He attributed the decision to dislike of the institution itself, despair of the prospect of achieving *de jure* recognition in Abyssinia because of the bad state of Anglo-Italian relations, the desire to strike a blow for the Berlin-Rome axis against the democracies, and the need for internal political reasons to make a spectacular gesture. Following minutes by Mr. Makins, Sir O. Sargent, and Sir A. Cadogan discussing the effect of Italy's withdrawal on the future of the League itself, Mr. Eden minuted on December 18: 'I should like to see us use the League. There are questions it could handle, & if it did that would be the real answer. But this means a *positive* effort by us, & not the endless presentation of reasons for not doing anything.'

No. 388

Letter from Sir N. Henderson (Berlin) to Mr. Eden (Received December 20)

[*C 8719/270/18*]

BERLIN, *December 14, 1937*

Dear Secretary of State,

I dined last night with Flandin[1] and the French Ambassador. Both think that the German Government mean to quicken the march of events and have been encouraged to do so by the Halifax visit.[2] Poncet has all along belittled that visit, chiefly I fancy out of pique because Halifax could not take him more into his confidence. Flandin was also of opinion that it was your conversation with Grandi after the Chautemps visit[3] which precipitated the splash with which Italy left the League.[4]

They may be right or wrong on both grounds, but it is merely guesswork. Anyway Flandin has bet me a dozen oysters that the Austrian situation will be liquidated in three months, i.e. by March 13th. I accepted the bet without hesitation though I afterwards discovered that by 'liquidation' he meant an Austrian Nazi Government at Vienna, which does not make it quite such a good bet as I thought.

Flandin seemed very desirous of an understanding with Germany the main objects of which would for him be peace and anti-communism, but neither he nor Poncet thought that Germany was yet ready to play. There was a good deal of talk about the League and its misfortunes and Flandin was anxious to know whether we would stick to the League or try to build up some new organisation. I told him that I could not conceive of our abandoning the League, though we might try to build it up on a new basis, such as might even secure United States participation. Flandin showed considerable anti-U.S.A. bias, his last words to me being 'N.R.A.' When I asked what that meant he explained 'Never Roosevelt Again'.

As a matter of fact Flandin only made one statement of any real interest and that was on the subject of colonies for Germany. 'Was Great Britain', he kept asking, 'prepared to restore Tanganyika and South-West Africa?' Unless we did, France would give up nothing. I said that I could not personally imagine that the Union of South Africa or ourselves would wish to give up either to Germany; but I could imagine some sort of shuffle round whereby we offered Tanganyika to Portugal in exchange for Angola. 'If Great Britain did that', said Flandin, 'France might give up Togoland but would never—and no French Government would ever—give up the Cameroons unless we or South Africa also gave up South-West Africa.' I told him that, while I did not wish to argue upon a purely hypothetical and personal suggestion I thought such an attitude was somewhat unreasonable in view of the readiness with which a year ago Blum had talked to Schacht, when we were supposed to be unwilling even to consider the colonial question, about the possibility of France restoring both Togoland and the Cameroons. But Flandin stuck to his point and merely abused Blum.

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[1] M. P-E. Flandin, a former French President of the Council and Foreign Minister, made a private visit to Berlin December 13–14. He had talks with Dr. Goebbels, Baron von Neurath, General Goering, and Dr. Schacht, records of which are printed in *D.D.F.*, *op. cit.*, Nos. 343, 346, 347, and 351.

[2] See No. 336.

[3] See No. 364.

[4] See No. 387.

Flandin had seen Goebbels and was to see Göring and Schacht, etc., to-day, but not Hitler. I think he was disappointed at that, but Poncet argued that Neurath and he had agreed it was better not.[5]

Yours v[ery] s[incerely],
NEVILE HENDERSON

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[5] In a minute Mr. Strang wrote: 'This letter goes to show (among other things) how much better it is to have M. Chautemps to deal with than M. Flandin. W. Strang. 22/12.' Mr. Eden worte: 'I agree, emphatically. A.E. Dec. 23.'

No. 389

Minute by Sir R. Vansittart for Mr. Eden

[C 8161/270/18]

Most Secret FOREIGN OFFICE, *December 14, 1937*

You and the Prime Minister may be interested to hear that Hitler is really angry with Lord Halifax for mentioning the religious question at all.[1] He said in his entourage afterwards that this was an interference in German internal affairs and that we should not dare to talk to any other country like that. To the source from which I learned this (as a matter of fact I have learned it from two quite reliable ones) I endeavoured to explain, in the hope that it might get back to the right quarters, that it was quite wrong to think that we did not talk to other people like this, because it was our wont to be frank with everybody in regard to matters affecting our relations with them.

All this however is interesting as illustrating Hitler's mood, when one considers how very lightly Lord Halifax did in fact touch on the religious question at all. I hear however that the irritation has remained and has been rather freely expressed. There is now considerable talk in the entourage of making advances to France, but this is of course only the old story again.[2]

R.V.

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[1] See No. 336.

[2] A minute by Mr. Eden read: 'Thank you. I will mention this to P.M. A.E. 15 Dec.'

No. 390

Sir R. Campbell (Belgrade) to Mr. Eden (Received December 16, 9.30 a.m.)

No. 141 Telegraphic [*R 8392/224/92*]

BELGRADE, *December 15, 1937, 9.20 p.m.*

Your telegrams Nos. 103[1] and 104[2] and my telegram No. 139.[3]

1. I saw M. Stoyadinovitch this morning and spoke to him in the sense of your instructions.

2. He opened his reply by saying that the nature of his reception by Their Majesties and general character of his visit to London,[4] where in the ordinary way statesmen came and went almost unnoticed, had been both for him and for the Yugoslav people an event of the greatest importance—greater by far than extravagant character of his reception in Rome which was in keeping with normal advertising methods of the totalitarian States. If the manner of that reception was not of his own seeking he must nevertheless admit frankly that it had flattered his personal vanity. At the same time I could rest assured that it had not turned his head.

3. He would be glad, M. Stoyadinovitch continued, if I would let you know that he abided by everything he had said to you in London and that nothing had passed in Rome which changed his policy in any respect. He did not chop and change from one day to another: quite the contrary.

4. When I drew his attention to passage in *communiqué* referred to in your telegram No. 103 he said whatever interpretation the Italians might seek to put upon it he did not himself consider he had subscribed to any new obligation. He appeared a little uncomfortable at this stage of our conversation and I think he realises that he went a little too far in his desire to do nothing to mar the serenity of his reception.

5. As regards the objectionable phrase in his statement to *Popolo d'Italia*[5] to which I next drew his attention he said both Hungary and Bulgaria had always exploited tension existing between Italy and Yugoslavia prior to their recent rapprochement.

6. It was only those two countries which he had had in mind when making the remark in question.

7. Perhaps his somewhat dictatorial utterance can be partially excused by the fact that in Rome he had constantly been exposed to the magnetic rays of Signor Mussolini's personality. (Fortunately he is not likely to meet him again for some time.)

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[1] No. 382.

[2] See No. 383, note 5.

[3] This telegram of December 14 recorded a conversation with the Yugoslav Prince Regent (R 8388/224/92).

[4] See No. 249.

[5] This statement was reported in Rome telegram No. 734 of December 11 (R 8283/224/92). M. Stoyadinovitch said that 'disagreements between Italy and Yugoslavia are no longer to be counted on. The two countries have really begun to write a new page in history of their reciprocal relations'.

8. As regards cessation of Italian fortification of Zara etc. (your telegram No. 104)[6] M. Stoyadinovitch said that this had been one of the concessions which he had obtained during negotiations leading to the signature of the treaty last March.[7] Whenever Italians mentioned the matter now (as I gathered they must have done the other day) it was to reproach him with not having followed suit by stopping work on new Yugoslav fortifications on land frontier with Italy: 'for we have not stopped and do not intend to stop,' added M. Stoyadinovitch.

9. Other matters which had been discussed in Rome were as follows:

10. Signor Mussolini had told M. Stoyadinovitch that he hoped to come to agreement with His Majesty's Government.

11. As he wanted nothing of Great Britain he did not see why the difficulties should be so great. M. Stoyadinovitch told me that Signor Mussolini was obviously much irritated by our delay in recognising Italian sovereignty over Abyssinia and that once that question had been disposed of to Signor Mussolini's satisfaction he thought we should find him much more tractable. (I explained some of the difficulties of the situation for M. Stoyadinovitch's edification).

12. Signor Mussolini had said that with France on the other hand he had no desire to come to terms as he did not want to have any dealings with so Red a Government. (I here emphasized the dangers inherent in a system which led a Government to refuse to have dealings with another not of the same persuasion as itself. M. Stoyadinovitch agreed.)

13. M. Stoyadinovitch had told Signor Mussolini that he was nominating an agent to reside in Nationalist Spain but that he did not intend to recognise Franco in advance of other Powers which had not yet done so.

14. He had told Signor Mussolini that he had no intention of leaving the League. (Presumably, though M. Stoyadinovitch did not say so, Signor Mussolini must have urged him to do so.)

15. The question of Yugoslavia joining anti-Comintern Pact had not been raised.

16. Before leaving I again warned M. Stoyadinovitch against danger of creating false impressions (see last part of paragraph 1 of your telegram No. 103). I reminded him that he had once told me the most unwise thing for Yugoslavia would be to pursue a policy that was above her station and asked whether he did not think he was in danger of falling into that error. He did not contest the first point but would have none of the second. I like, he said, to crow loudly on my Balkan dungheap but believe me I have no ambitions to become either a Mussolini or a Chamberlain.

17. In general, although M. Stoyadinovitch's explanations were much what I had anticipated (paragraph 3 of my telegram No. 138)[8] I was favourably impressed with his apparent sincerity. On the whole it seems to me that he got out of his visit fairly cheaply apart from the deplorable impression

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[6] See No. 383, note 5. This was one of the concessions reportedly made to Yugoslavia by Italy during M. Stoyadinovitch's visit.

[7] See Volume XVIII, No. 350.

[8] No. 383.

created by the exuberance of his reception, but Italians could obviously be counted upon to make the most of that. The fact is that between two neighbours (I count Germany as one) of whom he is afraid but whose friendship he needs and those older friends with whom I still believe his political sympathies lie his position is becoming daily more difficult.

18. The great safeguard is the feeling of the country as a whole of which of course he is well aware and of which M. Delbos' visit[9] provoked a wholesome manifestation.

I will develop further by despatch.[10]

Repeated to Rome.

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[9] Cf. No. 380, note 4. M. Delbos was in Belgrade December 12–14. Sir R. Campbell had a conversation with him on December 14, reported in Belgrade telegram No. 140 of that date (R 8386/224/92).

[10] Mr. Ingram (December 17) found this telegram 'fairly reassuring', and Sir O. Sargent (December 17) thought that Sir R. Campbell had handled the interview skilfully and suggested a telegram expressing approval. Mr. Eden, however, minuted on December 19: 'Yes, but Sir R. Campbell will have to be prepared to return to the charge. Personally I am still far from reassured . . . let us make it plain to him that we are not yet wholly comforted, & that he should take every opportunity of emphasising that London is watching Belgrade closely.' Telegram No. 109 to Belgrade of December 21, approved by Sir O. Sargent, said: 'I approve your language. At the same time, I am not wholly reassured . . .' In an undated pencilled note on the filed copy of this telegram Mr. Eden wrote: 'I am not reassured at all, much less wholly. We are being double-crossed, & taking a long time to perceive the fact.'

No. 391

Sir N. Henderson (Berlin) to Mr. Eden (Received December 17)

No. 1120 [*C 8661/270/18*]

BERLIN, *December 15, 1937*

Sir,

I have the honour to acknowledge the receipt of an advance copy of the record of the conversations held with the French Ministers in London on November 29th and 30th after the visit of the Lord President of the Council to Germany.[1]

2. As I have already reported in my despatch No. 1068[2] of December 1st the visit of Lord Halifax was genuinely appreciated by the mass of the German people, by whom it was regarded as a possible turning-point in Anglo-German relations. While there are here, of course, irreconcilable opponents to the policy of an understanding with England and many sceptics as to the possibility of its realisation, it cannot be doubted but that the German nation as a whole at heart desires and would genuinely welcome its consummation. From Hitler, who would certainly prefer the friendship of England to that of any other country, downwards, Germany is consequently waiting, possibly with no great anxiety, but at least with some hopeful

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[1] No. 354.

[2] No. 362.

curiosity and even expectancy, to see whether the Halifax visit will in fact lead to something more than resulted from the abortive pre-war visit of Lord Haldane or from that of Sir John Simon and yourself in 1935.[3] At the same time she does not feel that there is any particular hurry. Her position is already a strong one and she can afford to wait in the belief that in a year or so it will be still stronger. There is no slackening in her rearmament programme, the circle of her alliances is widening and she believes that the number of her potential enemies under the system of collective security is decreasing. The weak spot in her armour is, of course, her economic position, though even that is probably not so bad as her critics would like to think. Though the Four-Year Plan is hardly likely to prove a commercial success, it would be a mistake to underrate it, especially from the point of view which largely inspired its inception, namely that of enabling Germany, in the event of a war in which her foreign supplies were cut off, to carry on just those few months longer which might mean the difference between victory or defeat.

3. The fact remains, however, that the standard of living in Germany to-day is far too low, with a tendency to fall further rather than to rise, and the Nazi administration is exposed on that account, more than in any other respect, to internal dissatisfaction and unpopularity. Much of Dr. Goebbels' anti-foreign propaganda is probably intended to divert popular attention from discomfort at home rather than to encourage it towards external adventure. Yet popular irritation at excessive State control and the undoubted hardships which this imposes is likely to increase rather than to diminish. And as it increases so will the risk of a foreign adventure. I have no doubt but that Hitler is alive to this aspect of the position and I believe that, on its account and since he himself is certainly not scheming for adventure, he may be willing to make greater sacrifices on the altar of peace or at least of patience than he would make if it were merely a question of Germany's political and military situation. That consideration, if it is a correct one, constitutes, in my opinion, together with our own growing military strength, the most encouraging factors for the prospect of achieving those better relations with Germany which seem to me so essential if anything like genuine peace and security is to be achieved for a distracted Europe.

4. The Anglo-French conversations in London were the first outcome of the visit of Lord Halifax but the question of the next stage arises, if the door which the Lord President opened[4] is not to be allowed slowly to close again. It can, I fear, be taken for granted that there will be no first move on the part of Germany. The most we can hope for here is moderation, while waiting, in the sphere of propaganda. Otherwise, if there is to be a next step, it must come from British initiative in the first instance and take the form of some British or joint Franco-British proposal as regards the colonies.

5. Nor, in my opinion, will it suffice merely to propose to Hitler that he should send a representative to London to discuss the colonial question in principle. We should merely expose ourselves to a rebuff on the lines already

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[3] See Volume XII, No. 651.

[4] A question mark appeared in the margin of the filed copy against this statement.

indicated to Lord Halifax by Hitler himself, namely that conferences are useless unless success is guaranteed in advance and that success on such a vague formula would be more than doubtful. Any proposal as regards colonies would consequently need to take a more or less concrete form and specify, for instance, the general lines on which we would be prepared to satisfy German aspirations. Such a course would at the same time, particularly if our proposals are fairly generous, justify us in using Hitler's own argument and in pointing out ourselves that if the conference is to succeed Germany must also herself contribute to the genuine peace and security of the world, which is the motive of our offer.

6. The next stage in the Halifax visit would thus be a double one: a decision by His Majesty's Government, firstly, as to the general lines of a colonial settlement, and, secondly, as to the nature of the contribution which we would expect Germany to make. The first part is obviously outside my province, but I would beg leave to express an opinion as to what we might in practice rightly expect Germany to contribute towards the good cause.

7. To begin with, I would urge that on general grounds we should get away from the catchword of 'a general settlement'. The importance of phraseology cannot be overrated and if we give the impression that we are out for a bargain, we shall not succeed in driving it.[4] Nor, if we are to make any practical progress, will it be made by any of the tentative French suggestions put forward during the conversations in London, such as by tackling the armament question first or by asking Germany in principle to return to the League of Nations, or by requesting her for a reply to the British memorandum of last July on the Western Pact. I fear that it will be essential, given the personalities with whom we have to deal, to employ new methods and to start from where we would end in order by so doing we may achieve that with which we would like to begin. The right sequence is the offer of a colonial settlement accompanied by a statement to the effect that His Majesty's Government could never hope to persuade the British public to ratify it unless Germany herself is prepared to make her own contribution to that European peace and tranquillity which Hitler himself has said so repeatedly that he wishes to further.[5]

8. If Hitler will then take the initiative in making his own proposals, so much the better. If he does not, then they will have to be suggested to him. In this connexion it will be advisable to stress armaments in the first place rather than Central Europe. I doubt the practical utility in any case of asking for fresh guarantees as regards Austria. Hitler will merely reply, as he did to Lord Halifax, that the agreement which he made in July 1936[6] with that country stands, that he means to abide by it and that the matter solely concerns two German peoples. Insistence on a reaffirmation of that agreement is likely to lead to no result and its non-observance will be even still more likely if we fail at least to assume good faith.

9. The question of Czechoslovakia is clearly the most complicated. There is

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[5] The second part of this sentence was marked and queried on the filed copy.

[6] See Volume XVI, No. 436, note 4.

no valid reason why the ultimate fate of Austria should not be pacifically settled. Some day, whether we or even Italy wish it or not, there will be a plebiscite which may vote for closer union with the Reich or may reject it. This depends, in my opinion, more on developments in Germany herself than in Austria. But in respect of Czechoslovakia, the peace of Europe is always at the mercy of an insurrection on the part of the *Sudetendeutschen* such as would inevitably result in armed intervention by Germany and raise the question of the application of the French treaty with Czechoslovakia. Whatever the rights or wrongs of the Sudeten Germans, it is evident that the only prospect for genuine appeasement there lies in the grant of such equality to the Sudeten as will convert them into really loyal citizens of Czechoslovakia. Yet even this will scarcely be possible so long as that country continues to be regarded as the Slav spearhead against Germany in Europe. It may seem unpalatable to conceive of a Czechoslovakia dependent rather on Germany than on a Paris-Moscow axis, yet I feel convinced that only on those terms can Czechoslovakia's permanent intergrity be even hoped for, since otherwise Germany will always find some new pretext for intervention. Nevertheless, I see no reason to anticipate, unless some grave incident were to occur, that the German Government contemplate any immediately aggressive plans against Czechoslovakia. On the assumption that this is correct, it might therefore be suggested to Hitler that part of Germany's contribution to peace should be a bilateral agreement with that country on the lines of those which she has already concluded with Poland or with Belgium. I do not feel that it would be impossible to obtain this, though it may be that Hitler will in return insist on certain concessions on the part of the Czechs to the Sudeten Germans.

10. As Lord Halifax has reported, the German Government regard the League of Nations as a mere instrument for the perpetuation of the status quo. They will never return to it in its present form and it would be quite hopeless even to suggest to them that they should. At the same time it would be a mistake to drop this question or to give the impression that we have been affected by the recent German declaration about never returning to Geneva.[7] Either, therefore, we must ask on what conditions Germany would return, or suggest ourselves the modifications in the League Covenant which we would be prepared to contemplate. The second alternative would, doubtless, be preferable since, if we indicated the general lines, we could invite Germany herself to discuss them in detail.

11. To sum up, therefore, it seems to me that the next step should be regarded from two angles:

Firstly, to decide as to the colonial offer, in more or less concrete form, which we would be willing to make to Germany in the interests of genuine peace, general security and European tranquillity; and

Secondly, to decide as to the contributions, armaments, League of Nations, appeasement in Central Europe, etc., which we would ask Germany to make or persuade her herself to propose towards that same end.

12. If the first offer appears satisfactory to Germany and the second to

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[7] See No. 393, note 2 below.

ourselves, then and then only would the moment come for a definite invitation to a conference.[8]

I have, etc.,
NEVILE HENDERSON

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[8] In a minute of December 22 Mr. Strang remarked that there was 'a good deal in this despatch with which one can agree'; the Foreign Office disagreed, however, as to the tactics to be employed: see para. 5(i) of despatch No. 1510 (No. 395 below). Sir O. Sargent noted on December 22 that Mr. Eden was 'seeing Sir N. Henderson tomorrow and may wish to discuss this Desp[atch] with him'. Mr. Eden noted on December 23: 'I have done so, in general terms.'

No. 392

Letter from Lady Chamberlain[1] *to Mr Eden*

[*R 8563/1/22*]

GRAND HOTEL, ROMA, *December 15, 1937*

My dear Anthony,

I arrived here last Thursday and on Friday Comte Robilant from the Protocol called with an invitation from Il Duce to me to visit him on Tuesday. I had not asked for it and it was quite spontaneous on his part. At lunch that day I met Bastianini, Under Secretary for F[oreign] A[ffairs] and had a long and interesting talk with him. He said, 'Lady C. may I talk frankly with you.' I said 'Please, I would like to understand your point of view as to why there should be any misunderstanding between our two countries'. He replied 'When Mr. Chamberlain became P.M. and sent a message to Il Duce[2] we were all so pleased and felt that here is someone, a brother of Sir Austen who understood and sympathised with us, now we will forget all that has gone before and in September we will start our conversations, and we looked forward to that. But what happened? the conversations were postponed, and we have the feeling that and *believe* that the Prime Minister has opposition in his Cabinet—to be quite frank, we hear that Mr. Eden and Mr. Belisha are working against him, and the Labour Party are strong'. I denied all this hotly and said that the P.M. had absolute confidence in his Cabinet and worked amicably with all his Ministers. 'Then *why* do we not have the conversations? We signed a "Gentleman's Agreement"[3] and when we signed we had *more* troops in Spain than we have now. Il Duce when he signs never goes back, he does not want anything of Spain—except to put down Bolshevism—he does not want Majorca or Minorca. Lady Chamberlain for the safety of Europe, England and Italy must remain friends'. I replied that I was sure the Prime Minister wished for good relations between our countries and that he was working to that end. As regards the conversations I understood that there had been unfortunate incidents which had made it difficult for us and that before the conversation could start the way must be prepared and the first thing to be done was to stop all anti-British propaganda both in the Press and Broadcasting. Bastianini then said 'But your Press, the *Times* and sometimes the *Daily Telegraph* have not been kind to us and the *Times* does not seem to support your Prime Minister'. Before I could reply we were interrupted and were not able to resume the conversation. Comte Robilant had told me that Il Duce was going to make a pronouncement on Sat[urday][4] and I expressed the wish to hear him, so it was arranged that I should be on the balcony opposite the Palazzo Venezia. There were all sorts of wild rumours going around as to what he was going to say and this disturbed me so much that I wrote a note to Bastianini and said that I was sorry not to have been able to finish our interesting and I hoped useful conversation, but that there was one thing I had wanted to say and that was that I hoped and prayed Il Duce when he made his pronouncement would not say anything that would make good relations between our two countries more difficult. I was told afterwards that Il Duce had prepared a speech 'full of pepper' which had been seen by the F.O., but that something had occurred and he had watered it down. Last night I saw Bastianini and he thanked me for my note and said it had been of great use. Fortunately Ciano has been away and therefore Bastianini was in direct touch with Il Duce. I am told that no one can get past Ciano and that Il Duce is quite isolated. I have lunched and dined out every day and met many interesting people of all classes and they all want good relations, but all believe that you do not. I have defended you up hill and down dale and hope by constant dripping to wear away the stone! I also impress on everyone that propaganda must stop.

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[1] Widow of Sir Austen Chamberlain.

[2] See No. 65.

[3] See VolumeXVII, No. 530.

I had a talk with Lord Perth before I went to Palazzo Venezia and told him the line I meant to take if I had the opportunity and he approved.

Il Duce sent his car for me and I was ushered straight into his room. He came to meet me and took both my hands and kissed them and said 'How glad I am to see you, it is three years or more since we met. I am so touched that you should come to Italy again. You and Sir Austen have always been such good friends to me and my country'. He went on to talk of old times and the various occasions we had met—how much happier those days had been etc. etc. Then he said 'Tell me what is the feeling now in England for Italy?' I replied that we wanted friendship with Italy and that 'I am sure that that is the wish of the P.M. and Mr. Eden.' He interrupted 'we believe Mr. Chamberlain is friendly but that Mr. Eden is not'. I said, 'Excellency, I am horrified to find here in Italy amongst all the people I have talked to such a feeling of animosity to Mr. Eden. I saw Mr. Eden the day I left England and he told me that "anything I could do to help towards better relations between our countries he would be grateful for" and when I said to him that I understood in Italy they did not like him and felt that you are working against them, he replied "I know, but you can say that when we had our conversations with the French it was I and not the P.M. who pleaded with them for better understanding with Italy".' Il Duce nodded his head but did not say anything, so I continued 'We *do* want friendship and I am sure that with good will on both sides it can be accomplished'. He said 'I have the goodwill, I *want* friendship with England, we have always been friends, we have the same interests. I want peace; it is essential for me; I do not want war; I have tried war, I know what it means. Why therefore can we not commence conversations?' I replied that I understood we were willing to commence but that first we must prepare the way. All propaganda must stop both press and broadcasting. We had to prepare our public opinion and press. But each time one had hoped the conversations would start some incident had happened and made it impossible. He nodded his head as if he understood and repeated 'I have the good will, I will think about it. Thank you for coming. You understand; I wish more people like you would come to Italy, it would help us all'. He then talked again of Austen and Locarno and said 'I regret those days; the world has not changed for the better I do not think'.

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[4] Evidently Signor Mussolini's speech following the announcement of Italy's decision to leave the League of Nations: see No. 387.

I came away with the impression that he really wants an understanding and does not realise why the conversations have not commenced. I was with him over three-quarters of an hour and nothing could have been nicer. He seemed genuinely pleased to see me again and talk of old times.

Last night I had a long talk with Mr. Phillips (American Ambassador) whom I have known many years and he told me how much good my visit had already done, how *no one* can get past Ciano and see Il Duce and that Ciano is rabidly pro-German, that it was he and his sister, who is married to a German who worked the Rome-Berlin axis.[5]

Yesterday morning I was rung up from the Protocol to ask if I would receive Duca Paolo de la Toure with a message from Ciano. He came round to say that Ciano wished to give a luncheon for me at Villa Madama and which day would suit me, so I am going next Wednesday. This is evidently Il Duce's suggestion, but I am glad because it will give me an opportunity of talking to Ciano. At dinner last night the place was buzzing with the news. Lord Perth and Mr. Phillips told me that it is the first time such a thing has happened for a private person. I am lunching and dining out every day and the one conversation is friendship with England. I am worn out with arguing!!! Forgive this long letter but I want to give you the atmosphere. Mr. Phillips said 'I am most anxious to see you after your lunch with Ciano. Do impress upon your Government to *start* conversations, nothing can be done until then'.

If you can give me anything more that you think will be useful for me to say, please do so. I know so many people here of all sorts and they are all entertaining me so that I have the opportunity of spreading propaganda in a way that is impossible for Eric.[6]

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[5] The reference is presumably to Count Ciano's sister Maria, who was married to Count Massimo Magistrati, Counsellor at the Italian Embassy in Berlin.

[6] i.e. Lord Perth.

With kindest regards and best wishes to you both for Xmas and the New Year.[7]

Yours very sincerely,
IVY CHAMBERLAIN

[7] Comment in the Foreign Office was to the effect that, in Mr. Ingram's words, 'This can only have done good & Lady Chamberlain should be warmly thanked' (December 24). Sir O. Sargent remarked on December 31 that after saying, 'I wish more people would come to Italy', Mussolini had refused to see Lord Lloyd! Mr. Eden wrote: 'I have written to Lady Chamberlain. Lord Lloyd, whom I told of this conversation, remarked that Mussolini will never talk politics seriously to a woman. If this is true, it is none the less useful that Lady Chamberlain should have spoken as she has done. A.E. Jan. 2nd.'

No. 393

Sir N. Henderson (Berlin) to Mr. Eden (Received December 18, 3 p.m.)

No. 740 Saving: Telegraphic [*R 8543/655/22*]

BERLIN, *December 17, 1937*

Rome telegram No. 732.[1]

Although decision to leave the League of Nations would naturally be welcomed here, I have not been able to obtain any evidence that it is attributable to German pressure.[2] On the contrary the impression in well-informed circles is that decision was taken on the initiative of Signor Mussolini and is logical consequence of strengthening of Rome-Berlin axis on the one hand and of attitude of the League on the other, . . .[3] recognition of an Italian conquest of Abyssinia.

This is confirmed by Italian Ambassador who told me Signor Mussolini acted suddenly on hearing from Count Grandi after his conversation with you[4] that recognition by His Majesty's Government of Italian Empire could only be effected through the League and consequently was not for the moment within the sphere of practical politics.

Repeated to Paris Saving and Rome Saving.

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[1] In this telegram of December 11 Lord Perth reported a conversation with M. Farner, Secretary to Signor Pilotti (cf. No. 386, note 3) who said that there was a party in the Italian Foreign Office opposed to leaving the League of Nations (see No. 387), but that 'German pressure at the present moment was very strong'.

[2] Cf. *D.G.F.P.*, Series D, vol. i, No. 67. The announcement of the Italian decision to leave the League had been followed by an official German statement issued by the *Deutsches Nachrichten Büro* on December 12 expressing 'complete understanding and the warmest sympathy' for the Italian move, criticizing the League of Nations, and ending with the statement that 'A return of Germany to the League will no longer therefore come into consideration'. The text of this statement was transmitted to the Foreign Office in Berlin telegram No. 732 Saving of December 13, not printed.

[3] The text was here uncertain.

[4] See No. 364.

No. 394

Letter from Mr. Eden to Sir N. Henderson (Berlin)

[C 8634/270/18]

FOREIGN OFFICE, *December 17, 1937*

I[1] have to thank you for your letter of December 2nd,[2] and your two further letters of December 7th,[3] in which you comment shortly on one or two aspects of Anglo-German relations.

I am not sure that I could agree with everything you say, and indeed there are one or two points on which it would seem that your views are somewhat out of harmony with the policy which H.M. Government are pursuing.

Thus, in your letter of December 2nd, you suggest that H.M. Government should make an offer to the German Government on the subject of colonies, and ask them to discuss the question in London, it being understood—though not expressly stated—that H.M. Government would expect them to make some contribution from their side.

The policy of H.M. Government in this matter is described in the observations made by Lord Halifax to Herr Hitler and by the Prime Minister and myself to the French Ministers when they were here, the records of which have been sent to you. It was again repeated by me to the German Ambassador during an interview I had with him on December 1st (see my despatch No. 1445 of December 2nd),[4] and I have stated it in greater detail, for your guidance, in the despatch No. 1510[5] which comes to you at the same time as the present letter. As I told the German Ambassador, it would be quite impossible for H.M. Government to contemplate the cession of colonial territory unless they received some counterpart. It has thus already been expressly stated to the German Government that we should expect them to make some contribution. It will have to be stated again in express terms when the time comes, and cannot—as you suggest—be left as a mere matter of tacit understanding.

Then again in your letter of December 7th about your interview with Dr. Schmidt, you say that you told him that in your opinion what had actually been said or not said during Lord Halifax's visit was of less importance than that the visit would, you hoped, constitute a turning point from the old course to a new one. I do not quite understand this observation. It is not apparent to me that there has been, nor is it the intention of H.M. Government that there should be, from the mere fact of Lord Halifax's visit, a change in direction of the policy of H.M. Government towards Germany. It is to be hoped, indeed, that there may be an improvement in the atmosphere, and a franker and more frequent exchange of views between the two Governments than there has been in the past. But the policy of H.M. Government as stated by Lord Halifax to Herr Hitler and other distinguished Germans during his visit represents no breach with the past nor any striking out of a new path. Lord Halifax did no more than restate the policy which H.M. Government have been pursuing for some time past, a policy which has been described from time to time in public statements by authoritative spokesmen of H.M. Government.

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[1] Opening and concluding salutations omitted from the filed copy of this letter.

[2] No. 365. [3] Nos. 374 and 375. [4] No. 360. [5] No. 395 below.

As regards your second letter of December 7th describing your interview with the Italian Ambassador, I will only say that I have met Signor Attolico, and that from my personal experience of him I have some slight doubt whether he is as sincere and single-minded a partisan of Anglo-Italian friendship as he may appear. I am inclined therefore to take his advice with a considerable grain of salt.

Anyway it is not however unfortunately practical politics. Mussolini cannot abuse us almost daily and expect us at the same time to do his bidding. It is certainly true to say that the Italian dictator is more unpopular here today than his German counterpart.[6]

[6] This paragraph was added by Mr. Eden to the first draft of this letter, which was by Sir O. Sargent. At the same time the last five paragraphs of Sir O. Sargent's draft, which had included an assurance that Mr. Eden did not wish to censor the personal opinions of H.M. representatives abroad, were deleted.

No. 395

Mr. Eden to Sir N. Henderson (Berlin)

No. 1510 [*C 8466/270/18*]

FOREIGN OFFICE, *December 17, 1937*

Sir,

I have received your telegram No. 307[1] of the 9th December, reporting on your interview with the Minister for Foreign Affairs on the subject of the future treatment of the matters which formed the subject of the conversations which Lord Halifax had with Herr Hitler during his recent visit to Germany.

2. I am glad to note that Your Excellency urged that the colonial question should not be prejudiced by excessive propaganda in Germany; that you expressed your disappointment over the outcry in the press in Germany at the very mention of a 'general settlement'; and that you deprecated to Baron von Neurath the encouragement of the 'war mentality' in Germany, particularly in the schools.

3. I desire at the same time to make, for your future guidance, certain observations on the matters dealt with in your telegram, in order that these may be full concordance between the views which you may from time to time express to the Minister for Foreign Affairs and the conception of the present situation and its future developments held by His Majesty's Government in the United Kingdom.

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[1] No. 380.

4. The views of His Majesty's Government are to be deduced from the observations made by Lord Halifax to Herr Hitler, a record of which is in your possession,[2] and from those made by the Prime Minister, Lord Halifax, and myself to the French Ministers during their recent visit to London, a record of which will by now have reached you in my circular despatch of December 6th, 1937 (C 8234/270/18).[3] It may be useful to you, however, to have in general outline my understanding of the outcome of the conversations which the Prime Minister, Lord Halifax and I had with M. Chautemps and M. Delbos on November 29th and 30th 1937, with special reference to the colonial question and to the 'general settlement' of which a settlement of the colonial question would necessarily form part.

5. These conclusions may be stated as follows:

(i) No discussion of the colonial question with Germany should take place in advance of the discussion of the other matters which would form part of a general settlement, and no settlement of the colonial question should be reached with Germany in advance of such general settlement. In particular, it would be unwise in advance of such discussions to recognise, even in principle, Germany's right to possess colonies. Further study will be given to this question by His Majesty's Government and the French Government, in preparation for a possible exchange of views later. The interest in this question of other countries, and especially of those entrusted with mandates, was fully recognised.

(ii) A disarmament agreement would be an essential part of a general settlement. The return of Germany to the League is desirable, though it may be that the total suppression of Article 16 of the Covenant would be too heavy a price to pay in order to achieve it. Both these matters would be included in the general settlement.

(iii) The conclusion of a Western Pact is still regarded as an essential element in a general settlement, and it is thought important that such a pact should not imply that we have become disinterested in other parts of Europe or that Germany is henceforth free in those other parts to alter the status quo by force.

(iv) His Majesty's Government and the French Government maintain their interest in the Austrian question, and consider that Austria ought not to be left out of account in the contemplated general settlement.

The above conclusions should be regarded as supplementary to the official *communiqué* issued on the occasion of the visit of the French Ministers on November 30th,[4] a copy of which is included as an annex to the enclosure in my circular despatch of December 6th, mentioned above. They are sent for your guidance, and not for communication as such to the German Government.

6. In illustration of the foregoing statement, I would draw your particular attention to the following passages in the records of Lord Halifax's visit and of the recent Anglo-French conversations in London.

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[2] See No. 336.

[3] Not printed: see No. 354.

[4] See Annex to No. 354.

7. During his conversation with Herr Hitler on the morning of 19th November, Lord Halifax is reported in the interpreter's note as speaking as follows: 'The British Government did not adopt the attitude that the colonial question was in no circumstances to be discussed with Germany. It knew that it was a difficult problem. It was, however, clear that no English Government could deal with the colonial question by direct negotiation with Germany alone. The problem could only be broached as part of a general settlement, by means of which quiet and security might be established in Europe. In the course of the discussion regarding this general settlement, other countries who were concerned must naturally be drawn in'.

8. Similarly, during the conversation with the French Ministers on the morning of November 29th, Lord Halifax reported that he had told Herr Hitler that 'so far as His Majesty's Government were concerned, it would be impossible for this or any other Government to deal with the colonial question in isolation. If there were to be any solution, it could only be as part of a general settlement, based on contributions from everyone concerned in the interest of European appeasement.' (see page 4 of record enclosed in my circular despatch of December 6th). A little later in the conversation, the Prime Minister said that His Majesty's Government were not prepared to open discussions unless the Germans were prepared to discuss the things that His Majesty's Government wanted. These were comprised within the third group of questions, namely, Germany's future relations with the League, and some practical step towards disarmament. . . . The Germans had seemed to indicate that there was no reason why the two countries should not come to a bilateral understanding. That seemed to His Majesty's Government impossible, since what was in contemplation was a general European settlement, and not merely a separate settlement between Germany and Great Britain' (see page 6 of record).

9. At the meeting in the afternoon of November 29th, the Prime Minister said he 'did not think that there was any disagreement on the point that the principle of cession could only be surrendered in exchange for something concrete. He did not at all agree that Germany had any right to colonies. The answer to Germany should be that Great Britain and France were prepared to discuss when they heard what Germany was prepared to give on the other side' (see page 16 of record).

10. A little later I suggested that 'France and Great Britain ought, therefore, now to prepare a statement of their views for presentation to Germany, a statement, that is to say, of the terms on which they would be prepared to discuss the colonial question. Lord Halifax had made it clear that Great Britain could not return colonial territories except as part of a general settlement. The next step to take would be to prepare a statement of what it was desired to get from Germany in return'. M. Delbos concurred. (See page 16 of record).

11. Finally, the Prime Minister said that the idea of His Majesty's Government would be to say that they were ready to discuss the colonial questions if they were satisfied that Germany was ready to discuss the things

that His Majesty's Government wanted in return, namely disarmament, the League, Western Pact, and Central and Eastern Europe. This would not commit His Majesty's Government even in principle to the idea that they would hand the colonies back. It would only mean that we were ready to discuss an all-round basis of agreement'. In reply to a question from the Prime Minister, M. Delbos said that 'what he had in mind was a simultaneous giving of assurances or guarantees. He did not ask for agreement on the things that France wanted, in advance of discussion of the things that Germany wanted. He wanted to ensure that there was no discussion of colonies in advance of the discussion of the other matters'. (See page 17 of record).

12. It is thus not contemplated that any communication to the German Government from the British and French side will be made for some time to come. You will appreciate therefore that in the meantime it would not be desirable to engage even in informal conversations with the German Government on the basis of any mere supposition of what the character of the eventual communication from His Majesty's Government and the French Government is likely to be. In particular, you will of course avoid in your conversations with German Ministers any assumption that the transfer of colonial territory is a course to which His Majesty's Government have agreed, or will agree, even in principle. We are not yet at a stage at which that possibility can be made the subject even of informal consideration with the German Government.

13. Similarly, you would do well to discourage any suggestion from the German side that in aiming at a general settlement His Majesty's Government have adopted a policy which is either unreasonable or obstructive. I regret to learn that the idea of a general settlement does not commend itself to the German Government, and I fear that the reasons which lead them to dislike it are precisely those which commend it to His Majesty's Government. A general settlement is intended by us to be the converse of a bilateral settlement between Great Britain and Germany, such as would appear to be desired in certain German quarters. Secondly, it involves most definitely in our mind the idea of a bargain which Baron von Neurath and German opinion seem to resent so strongly. Nevertheless it would be unwise and misleading to minimise these two characteristics which are inherent in our conception of a general settlement, or to give the Germans the impression that we do not attach importance to them.

14. From what has been said above, you will see that there is no intention on the part of His Majesty's Government to make, in the immediate future, any 'offer' or 'definite conditional proposal' to the German Government, and that it is too early to sound the German Government as to what 'their definite response' should be. Lord Halifax came away from Germany with the impression that the Germans were convinced that time was on their side. Herr Hitler indeed suggested to him that the two Governments should be content to go slowly. To this Lord Halifax replied that he was quite sure that the Prime Minister and I 'would not quarrel with his counsels of prudence as to advancing slowly, provided that we could feel that we were in fact making an

advance'. He added that the Prime Minister had said to him, before he left London, that 'he would be well content to see things move slowly and that they could not be expected to do otherwise'. This is in keeping with Baron von Neurath's remark to you, reported in your telegram under reference, that Germany could afford to wait. It would be a mistake, therefore, to give the German Government the impression that His Majesty's Government are impatient for some new initiative at this moment on the part of Herr Hitler, such, for example, as an offer with regard to disarmament. Any proposals that he might make on his own initiative would, of course, be welcomed and given the most sympathetic consideration. But to press for them would tend to make it appear that His Majesty's Government were ready with proposals from their side on the colonial question. This, as I have said, is not the case. It would thus be wiser to continue to follow the procedure contemplated in the recent conversations with both the German and the French Ministers.

15.[5] As stated in the *communiqué* issued at the conclusion of the Anglo-French conversations on November 30th, the colonial question is a subject which requires much more extended study than it has hitherto received. Until that study is complete, and until further consultation with the French Government, and possibly other Governments, has taken place, it will not be possible for His Majesty's Government to reach any conclusion as to what their future policy should be.[6]

I am, etc.,
ANTHONY EDEN

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[5] The following sentence was deleted at this point from the first draft of this despatch: 'The longer Germany is prepared to wait, the longer is the time allowed for H.M. Government to pursue their rearmament undisturbed. If the German Government do not expect a settlement of the colonial question for three years or more, it is no part of the present policy of H.M. Government to suggest that that period should be reduced.'

[6] A minute by Mr. Strang of January 27, 1938, read: 'This despatch has been ordered to be printed, but for some reason or other printing has been delayed and the despatch has not yet been circulated. In view of the turn things have taken, I am not quite sure that the instructions contained in this despatch are now quite appropriate, though they certainly were so at the time. I doubt, therefore, whether it would be wise to circulate it to our posts abroad, or indeed to give it any circulation at all in print . . .' It was agreed that there should be no distribution of copies of the despatch.

No. 396

Mr. Eden to Sir E. Phipps (Paris)

No. 2368 [*C 8674/3285/17*]

FOREIGN OFFICE, *December 17, 1937*

Sir,

During the course of a conversation with the French Ambassador this morning His Excellency remarked that there were certain aspects of the world situation which caused him considerable apprehension. The Rome-Berlin axis was certainly not founded on a very sincere friendship yet it did work very well in the technical sphere. Indeed in that respect the German and Italian collaboration was much closer than that between England and France though the real community of interests between our two countries was much greater. This seemed to him not altogether satisfactory. His Excellency explained that he was only speaking personally but, on my encouraging him to continue, he gave an example. In the Far East today we were faced by a menacing position. He imagined that it would be dangerous for His Majesty's Government to attempt to take any action there alone when the European situation was so strained. Yet His Excellency presumed that it was a possible development that at some time we might wish to make dispositions of our fleet different from those which existed today. So far as he was aware, however, there had been no kind of staff conversations between our two Admiralties. With the world as it was today any change in the political situation in any part of it was apt to result in the need for fleet movements. Between us our naval strength was very great, yet we had, it appeared, made no dispositions for any of the eventualities which might arise. Was not this a state of affairs which should be remedied?

2. I told M. Corbin that I had much sympathy with what he had said. He would recollect that the Prime Minister during the meetings with the French Ministers had made it quite clear that we were ready to engage in any exchange of information with the French Government.[1] It would certainly be true that, in the event of anything happening in the Far East, which I sincerely trusted would not be the case, necessitating any change in the present disposition of our fleet, the first thing we should wish to do would be to consult the French Government. I knew that this was very much in the mind of the First Lord. The question really seemed to be whether there should not be exchanges of view now so that we might be each to some extent prepared for the eventualities which might arise.

3. His Excellency gave, as one example of close German-Italian technical collaboration, the fact that the area round about Gibraltar seemed to be that used by Germany and not by Italy for Mediterranean training. A short while ago the French Government had even had cause to complain that the German Government had ships in Tangier in excess of those allowed her by treaty. These ships were being continually changed and M. Corbin was quite confident that this procedure was being carried out in order to give the whole German fleet by stages experience of Mediterranean conditions. The French Government now had a considerable part of their fleet in the Atlantic and in certain eventualities no doubt they would be able to move these ships to the Mediterranean. This was surely a step which might be discussed between us.

4. After some further conversation we agreed that I would refer this subject to my colleagues while His Excellency would inform his government of this suggestion.[2]

I am, etc.,
Anthony Eden

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[1] See No. 354.

[2] M. Corbin's account of this conversation is printed in *D.D.F.*, *op. cit.*, No. 367. The whole question of staff contacts had been under review in the Foreign Office since October 1937,

when Mr. Strang drew up a long memorandum of October 12 on the future conduct of contacts between the British, French, and Belgian general staffs (C 7843/271/18). It was generally felt that more wide-ranging conversations between the general staffs would be valuable, and after the matter had been discussed by the British and French Ministers (see No. 354) Mr. Eden wrote a letter of December 16 to the Secretary of the C.I.D., summarizing the history of staff contacts and asking the Chiefs of Staff to examine the whole question and advise on the 'best terms in which to define the scope of these staff contacts'. As a result of Mr. Eden's talk with M. Corbin on December 17 a further letter was addressed to the C.I.D. on January 1, 1938, enclosing a copy of despatch No. 2368 and pointing out that the French Ambassador's suggestions were far wider in scope than those set out in the Foreign Office letter, as they envisaged 'the consideration of possible fleet dispositions made necessary by disturbed political conditions in any part of the world'. The Chiefs of Staff prepared a memorandum in reply to these two letters, printed as No. 491 below.

Meanwhile a parallel approach on this issue was made by the French Naval Attaché at London, who visited the Director of Naval Intelligence on December 20 to suggest the discussion of closer and more detailed contacts between the British and French navies. A record of this conversation was sent to the Foreign Office on December 23 (C 8804/271/18). The Director of Naval Intellignece thought that 'the changed position re. Belgium is apparently leading the French General Staff to consider alternative plans', and reported the opinion of the British Military Attaché at Paris that 'the French General Staff had under consideration a re-orientation of French military policy'.

No. 397

Mr. Newton (Prague) to Mr. Eden (Received December 18, 3.5 p.m.)

No. 58 Telegraphic [*R 8515/188/12*]

PRAGUE, *December 18, 1937, 1.5 p.m.*

My telegram No. 111 Saving.[1]

Monsieur Delbos[2] informed me last night that the Sudeten German question had occupied a large part of his conversation with the President that afternoon and that he had also discussed it with the Prime Minister and the Minister for Foreign Affairs.

Monsieur Beneš had recounted to him at some length the origin of the question and his own determination from the time he first came to power to achieve a settlement by conciliation. This was now the definite policy of his Government and although for a time the Nationalist elements had made difficulties their opposition had ceased. The Government could not however make concessions which looked as though they were due to pressure from Germany nor allow measures of autonomy which would destroy the unity of the country and permit minorities to introduce for their members a totalitarian system inconsistent with a democratic constitution. The Government would continue with their policy of securing representation for minorities in public employment and in schools in percentage to their populations and would furthermore be ready to employ a higher proportion in minority areas say up to 50%. This last point if I have correctly understood it seems to be new and a concession to the objection raised by Germans to employment outside their own area. Monsieur Beneš admitted that Czech officials had not always behaved with tact and said that instructions would be issued to prevent abuses in the future.

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[1] This telegram of December 16 referred to No. 379 and reported that Mr. Newton had spoken to M. Delbos as instructed.

[2] M. Delbos arrived in Prague from Belgrade on December 15: cf. No. 383, note 2.

Monsieur Beneš showed no objection in principle to trying to work with Herr Henlein and thought it might be possible to win the loyal support of all but some 20% of irreconcilables who were actually in receipt of money from Germany.

Monsieur Delbos told me that the Minister for Foreign Affairs had arranged for him a meeting with two of Henlein parliamentary leaders Herr Kundt and Herr Franke. They had professed their loyalty to Czechoslavia [*sic*] but asked Monsieur Delbos to assist them in reconciling this loyalty with that to their German race. They thought that if only an undertaking could be reached between France and Germany the problem of differing loyalties with Czechoslovakia would be greatly eased or disappear.

Monsieur Delbos was satisfied with his conversations on Sudeten German question although it is evident that little that is new or concrete has emerged. The fact that he has shown an interest in it and associated himself with the views of His Majesty's Government will however doubtless have a useful effect in Czechoslovakia.[3]

[3] Foreign Office minutes showed some satisfaction with M. Delbos' account of his conversation with Dr. Beneš. On December 23 Mr. Bramwell pointed out that the demands made by the *Sudetendeutsche* went some way beyond Dr. Beneš' assurances to M. Delbos, and concluded: 'We must therefore persevere with our advice and meanwhile it is something to the good that we now at last appear to have got the French Govt. moving along the same lines as ourselves.' Mr. Nichols considered (December 24) that 'we may congratulate ourselves on the result of the decisions reached at the recent Anglo-French conversations in London [see No. 354] and the manner in which some of those decisions have been implemented through the medium of M. Delbos' recent visit to Prague . . .'

No. 398

Sir E. Phipps (Paris) to Mr. Eden (Received December 22)

No. 756 Saving: Telegraphic [*C 8744/7888/17*]

PARIS, *December 20, 1937*

My telegram No. 233 of today.[1]

Following are further details given me this afternoon by the Minister for Foreign Affairs on his tour. I pass them on as nearly as possible as he gave them to me even where they overlap information already supplied by His Majesty's Representatives in the posts concerned.

Baron von Neurath's gesture in going to the station[2] was quite spontaneous for M. François-Poncet had merely informed him in the usual manner that M. Delbos would pass through Berlin on his way to Warsaw.

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[1] Not printed (C 8730/7888/17).

[2] See No. 380, note 4.

M. Delbos asked Baron von Neurath why Germany always seemed to resent any suggestion of a 'general settlement'. His Excellency replied that she did not resent it, but was convinced that it was a mistake to try to settle everything at once; the right method was to settle matters bit by bit.

M. Delbos then suggested that a start might be made by trying to 'humanise' war, as had often been suggested by Herr Hitler, and by an Air Agreement. Baron von Neurath had not reacted unfavourably to this.

The German Minister for Foreign Affairs told His Excellency that, to show how friendly German feeling was to France, he had had to prevent a body of Hitler Youth from coming to the station with bouquets. He had done this in order to avoid too much fuss being made at the station. The Italians, he remarked with a smile, would certainly feel no pleasure at his own presence that day at the Schlesicher Bahnhof!

On his arrival at Warsaw M. Delbos found Colonel Beck immensely impressed by Baron von Neurath's gesture, which, he felt, must have been carefully considered and decided upon by the German Government.

M. Delbos told Colonel Beck that if the Danzig Constitution was going to be constantly violated the High Commissioner might well be withdrawn.[3] M. Beck viewed this possibility with utter dismay, and declared that such a withdrawal would be lamentable. M. Delbos thinks his hints may have a useful influence on the Polish Government, particularly if His Majesty's Ambassador were to take an opportunity to speak in a similar sense.

The Polish Government were on the whole less inclined than usual to complain of Russia, beyond the usual complaint about Comintern propaganda.

I asked whether M. Delbos thought that any understanding had been reached between Poland and Germany directed against Czechoslovakia; but His Excellency does not believe this for a moment.

Upon his arrival at Bucharest M. Delbos found that the Roumanian Government had practically decided to appoint a new Minister to Rome in succession to the present one, who is entering Parliament. This would have meant recognition of the Empire of Ethiopia, and His Excellency pointed out that it would be disagreeable to the French Government just when he was in Roumania, and, he thought, also to His Majesty's Government. Finally it was decided the new Minister should not be sent to Rome at any rate till after the next Council meeting at Geneva.

In Yugoslavia M. Delbos met with an enthusiastic and at times a frenzied welcome. Upon his arrival at Belgrade thousands of people cheered France and him. The Government supporters were drawn up on the right, the Opposition supporters on the left. The latter at times added to their loud cheers cries hostile to Fascism and to M. Stoyadinovitch, who drew his guest's attention to the fact that all were united in at least one thing, viz. their love of France.

M. Delbos is most grateful to you for instructing Sir Ronald Campbell to speak seriously to M. Stoyadinovitch, upon whom he feels that this had a highly salutary effect.[4] The Yugoslav Premier used much the same language as he did to Sir Ronald in justification of his Roman visit and of the Roman *communiqué*. M. Delbos is more inclined now to make the best of a bad job than he was before. He feels M. Stoyadinovitch must be carefully watched, and pulled up short when he tries to run out of the course. But in the last resort His Excellency is convinced that if the latter ever tried to bring Yugoslavia into a war against France or England a revolution would break out against him.

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[3] Cf. No. 258.

He told M. Delbos that Signor Mussolini had informed him that he had no intention of disinteresting himself from Austria but that he would no longer be ready to make war to maintain her independence.

When I asked M. Delbos whether he had referred in conversation with the Prince Regent or M. Stoyadinovitch to the defective state of the Yugoslav Army, His Excellency admitted that he had not done so. The fact was King Carol had told him he had already called the Regent's attention to this matter and the latter had seemed to be determined to take the necessary steps to rectify possible deficiencies in the Yugoslav Army. M. Delbos added that moreover the present Yugoslav Army chiefs were very pro-French, and he preferred on the whole that they should remain, whatever their shortcomings might be, rather than have them supplanted by more efficient, though possibly less friendly men.

M. Delbos told me that Yugoslavia was busily fortifying her Italian frontier and this showed that she still mistrusted the Duce.

Contrary to Press reports, there were no killed and only a few wounded in the disturbances that took place on the first day of the visit. On the last day, on the way to the station, M. Stoyadinovitch pointed out to his guests crowds of students hostile to himself, and, in a spirit of coquetterie, ordered the motor to pass slowly by them. Loud cheers were the result, but this time no seditious cries against him.

The Prince Regent was cordiality and friendliness itself, and M. Delbos realises the great influence Great Britain can exercise over him. His Royal Highness spoke in the warmest terms of you.

At Prague Dr. Beneš assured M. Delbos[5] that he would see that the Sudetan [*sic*], who were about 21% of the total population of Czechoslovakia, should get about 21% of posts in the public services, etc.; but of course this could not be done all of a sudden. If in certain districts this percentage could not be allotted, as much as 50% would be granted in other districts in order to restore the balance. He felt that friendly collaboration between the Czech and German elements of the population was not only possible but probable. It must be remembered that they had suffered in common under former Austrian oppression.

M. Delbos said that he was much struck by the fact that the two Parliamentary representatives of the Sudeten whom he received appeared to attach great importance to the desirability, in the interests of Czechoslovakia herself, of a friendly understanding between Germany and France.

Dr. Beneš pointed out, map in hand, that autonomy for the Sudeten was out of the question; they were scattered about in a long worm-like pattern, which was not even continuous.

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[4] See Nos. 382 and 390.

[5] Cf. No. 397.

At Bucharest, Belgrade and Prague M. Delbos found a strong desire for Danubian Economic Union with Austria, Hungary and Bulgaria. He passed through Budapest at 6 in the morning, but even at that early hour the Secretary General of the Ministry of Foreign Affairs had come to meet him at the station, and had also seemed to favour that plan.

The French Minister at Vienna has reported that Mussolini has been bringing pressure to bear upon the Austrian Chancellor to make Austria leave the League of Nations. The Duce, with this object in view, invoked the terms of the Italo-Austro-Hungarian Agreement. Dr. Schuschnigg replied, however, that Mussolini, having left the League without consulting Austria,[6] as he should have done under that Agreement, could not logically call upon her to follow his example.

M. Delbos does not think that either Austria or Hungary will leave the League, despite Signor Mussolini's pressure, especially if France and Great Britain show that they do not intend to weaken in their support of Geneva.

As reported in my telegram under reference, M. Delbos feels that it would be useful if you could meet him in the near future, and anyhow before the next Council of the League, in order to exchange your impressions and discuss what course to pursue.[7]

[6] See No. 387.

[7] In a minute of December 29 Sir O. Sargent suggested that Mr. Eden might have a conversation with M. Delbos at Geneva in January before the League Council meeting, and Sir A. Cadogan agreed (December 30). Mr. Eden also agreed (December 31), but added that 'it might be well if we warned M. Delbos beforehand of the subjects we shall want to discuss. First & foremost is means of rehabilitating authority of League & western democracies; not too easy'.

No. 399

The Earl of Perth (Rome) to Mr. Eden (Received December 22, 9.30 a.m.)

No. 762 Telegraphic [*R 8569/1/22*]

ROME, *December 21, 1937, 10.30 p.m.*

Long telegrams from London reporting your answer[1] to questions regarding Italian propaganda appear in today's press together with Reuter's explanatory *communiqué*. The London correspondents comment at length and there are one or two editorial comments. The following are the chief points made:

[1] On December 20 questions were asked in the House of Commons calling Mr. Eden's attention to the intensified Italian broadcast propaganda in Arabic and suggesting counter-broadcasts in Italian and the erection of a 'proper broadcasting station' in Cyprus, to counter Italian anti-British propaganda in Palestine and elsewhere. He replied that he had recently (see No. 364) informed the Italian Ambassador that His Majesty's Government were well aware of this propaganda, and that if it were not brought to an end it could prevent the creation of the atmosphere 'necessary for the prosecution of successful conversations' (330 *H.C. Deb. 5 s.*, cols. 1585, 1586).

1. That for the English, reporting of the truth is regarded as hostile 'propaganda'.

2. That in matter of real hostile propaganda which was a travesty of the truth one must turn to the B.B.C. and its ineffable pronouncements during Abyssinian campaign and in connexion with Spanish war.

3. That a new obstacle, the third, has now been found as an excuse for delaying Anglo-Italian conversations that ought to have begun in September and were anticipated with satisfaction in both countries except by British labourists and a cloak[2] which deludes itself that it could draw Germany into 'Western Orbit' and leave Italy to stew in her own juice as 'European public enemy No. 1'. Most of papers say reports as to situation in Palestine and British action there have erred on the side of moderation. The *Stampa* published the following note; Mr. Eden who was chiefly responsible for the present deadlock would like to fix blame upon data of the Bari wireless.

All this as Snowden once said was 'ridiculous and grotesque'. The truth was that Mr. Eden on his return from Brussels set about to torpedo the good intentions of Mr. Chamberlain in regard to a collaboration with the Powers of Rome and Berlin axis. Today Mr. Eden had completely succeeded in his aim with what effect on prestige of Prime Minister might well be imagined.

But apart from question of persons and office had Mr. Eden served real interest of his country? The British fleet was wondering where it ought to go and France was feeling heavy responsibilities it would have to face in order to serve British interests. I am sending a detailed summary of two London messages by post.[3]

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[2] A note on the filed copy suggested that this should read 'clique'.

[3] In another telegram of December 21, No. 222 Saving (received on December 27), Lord Perth gave details of a further criticism of Mr. Eden's reply, this time from the London correspondent of the *Messaggero*, which 'has the appearance of having been inspired by the Italian Embassy'. In a marginal note Mr. Ingram commented: 'It might be Signor Crolla speaking.'

No. 400

Sir N. Henderson (Berlin) to Mr. Eden (Received December 28)

No. 1136 [*R 8631/303/3*]

BERLIN, *December 21, 1937*

Sir,

I have the honour to transmit herewith a copy of a despatch[1] from His Majesty's Consul-General at Munich reporting that he learns from a trustworthy source that plans are being hatched in the Brown House for a Putsch in Vienna in the spring or early summer of next year.

2. Rumours of a Putsch are circulating in Berlin as well and April or May are mentioned as the probable date. It is also said that the German

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[1] Not printed.

Ambassador in Rome has reported to the Ministry of Foreign Affairs a conversation in which Signor Mussolini stated that he would not oppose a purely internal movement in Austria.

3. However this may be, it seems clear that unless the Nazis are right in thinking that they have won over important sections of the Austrian Army, any plans they may make must have little chance of success. For the present there is no suggestion, even in extreme Nazi circles, that the German Government will openly intervene.[2]

4. I am sending a copy of this despatch to His Majesty's Minister in Vienna.

I have, etc.,

NEVILE HENDERSON

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[2] In a minute of December 30 Mr. Bramwell noted that 'the weight of our recent information from other sources is opposed to the likelihood of a Putsch in the spring or early summer and Hitler himself is alleged to contemplate no action in regard to Austria for 2 years'. Mr. Ingram (January 3) thought that Sir N. Henderson's despatch might be 'designed to make our flesh creep. What we hear from Vienna on the other hand is more or less reassuring & indicates that Berlin is overestimating the strength of the Nazis in Austria itself. The only point on which everyone seems agreed is that Italy won't "march" again to save Austria'.

No. 401

Extract from Cabinet Conclusions No. 49(37) of December 22, 1937

[C 42/42/18]

1. The Cabinet resumed their discussion of an Interim Report by the Minister for Co-ordination of Defence (C.P. 316(37)) on Defence Expenditure in Future Years, which had been begun at the Meeting of the Cabinet the same morning.[1]

The Lord President of the Council said that that brought out clearly how the limitation imposed on defence by finance threw a heavy burden on to diplomacy. In spite of all the efforts of the Foreign Secretary, the Prime Minister and others, we had arrived at a position which above all we had wished to avoid and in which we were faced with the possibility of three enemies at once. The conclusion which he drew—and he had no doubt that it would be shared by the Foreign Secretary—was that this threw an immensely heavy burden on diplomacy and that we ought to make every possible effort to get on good terms with Germany. He realised the great pressure on the Foreign Secretary but, after this discussion, he felt it was of great importance to make further progress in improving relations with Germany.

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[1] The cost of the defence programme had greatly concerned Mr. Chamberlain during his last months as Chancellor of the Exchequer, and he had set on foot a review of the whole programme in relation to total national resources. After his appointment as Prime Minister in May 1937 the survey was completed under his successor, Sir J. Simon, who presented a report at the end of June. The Cabinet accepted £1,500 million as the amount available from revenue or Defence Loans for the carrying out of the programmes of the three Defence Services from 1937–38 to 1941–42. The services were then asked to estimate anew their requirements and the Cabinet at its meeting on October 27, 1937 were faced as a result with estimates of total expenditure of or above £1,717 million. Sir T. Inskip, Minister for the Co-ordination of Defence, was then asked to review the whole problem, and his report, presented to the Cabinet on the morning of December 22, emphasized the limits of expenditure forced on the country by its peculiar financial and industrial structure, but said that the Treasury was able to visualize an increase of total expenditure of up to £1,650 million, although this would still involve the postponement of some desirable developments particularly for the army. There was a further discussion at two meetings of the Cabinet on February 16, 1938. There is a full description of the Cabinet discussions and the general background in N.H. Gibbs, *Grand Strategy, op. cit.*, pp. 279–95. Cf. also No. 491 below.

The Foreign Secretary recalled that the first task was for the French Government and for ourselves to decide what could be done in the colonial sphere.

The Prime Minister agreed that no further move could be made with Germany until after further explorations. The point that impressed him was that whatever we could do in the colonial sphere must be counter-balanced by some move by Germany. Public opinion would not tolerate an arrangement on any other lines. He recalled that at the preliminary consideration which had been given to the subject, it had been thought that the German contribution to a settlement might take the form of some measure of disarmament. Herr Hitler had made a statement to the Lord President which opened the possibility of some advance on these lines. He had accordingly taken on himself to ask the Minister for Co-Ordination of Defence to go into the technical aspects of the question of limitation of bomber aeroplanes as well as of other forms of qualitative disarmament. So far as the general question was concerned, he hoped to address himself to the matter during the Recess with view to a meeting of the Committee on Foreign Policy in the New Year.

In reply to the Secretary of State for the Colonies, the Prime Minister said he did not require any special researches to be undertaken at the present moment on the colonial issue.

The Cabinet agreed

(g) To take note

(i) That the limitations which finance imposes on National Defence place a heavy burden on diplomacy which renders it desirable as soon as may be to follow up the conversations between the Lord President of the Council and Herr Hitler; and

(ii) That, with this in view, the Prime Minister has instructed the Minister for Co-Ordination of Defence to take up with the Service Departments the possibility of some limitation of bomber aircraft as well as other forms of qualitative disarmament.[2]

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[2] This conclusion was used as the authority for the setting up of the C.I.D. Sub-Committee on Limitation of Armaments, under the chairmanship of Sir T. Inskip. Its terms of reference were: '(a) To investigate the possibility of following up Herr Hitler's suggestions to Lord Halifax on the subject of the desirability of some limitation of bombing aircraft'; '(b) In connection with the above to endeavour not only to work out some plan for the restriction of bomber aircraft, but also consider more generally the possibilities of applying the principle of qualitative disarmament to air forces and land forces (e.g. tanks, guns, etc.)'

No. 402

Mr. Eden to the Earl of Perth (Rome)

No. 1333 [*R 8568/1/22*]

FOREIGN OFFICE, *December 23, 1937*

My Lord,

The Italian Chargé d'Affaires asked to see me today when he said that he had been instructed by his Government to hand me their reply[1] to the communication which I addressed to Signor Grandi at our last interview.[2] Signor Crolla added that this reply had been sent to him previous to my statement in the House of Commons in answer to questions on the subject of propaganda[3] but that he had no reason to suppose that his Government had in any way modified their views on that account. I thanked the Italian Chargé d'Affaires for his communication which I told him would be studied. At the same time, I thought that it did less than justice to the point of view of His Majesty's Government. The question of propaganda was not dealt with at all. Yet it was impossible to ignore its significance. I had explained to Signor Grandi and I felt sure that His Excellency had fully understood that this question was not for us a condition for the opening of conversations. What was, however, vital was that, if the conversations were opened, they should have a reasonable chance of success. They could have no such chance if Italian propaganda and the Italian Press attitude continued as it was today. An improvement in that direction on the Italian side would certainly lead to an immediate response here. Signor Crolla replied that they too had grievances about propaganda and that the Italian Government could not agree with the complaints which were made about anti-British propaganda by them. I told the Italian Chargé d'Affaires that this was a statement which I really could not accept. There were after all broadcasts from Bari every day and we knew perfectly well how intense and active was Italian propaganda against us. Signor Crolla interjected somewhat hurriedly that this was a subject which he had no instructions to discuss. He had only been told to hand to me the document which he had left with me, but he would like to add one or two personal remarks on Anglo-Italian relations in general.

2. The Italian Government felt, Signor Crolla said, that we had not been anxious to enter into conversations. They were disappointed that the conquest of Abyssinia had not been recognised by us *de jure* and there were in consequence, he admitted, many in Italy including members of the Government who believed that we were animated by motives of hostility towards their country. The Italian Government, ever since the Abyssinian adventure, had been at the crossroads. His Government were now really beginning to wonder whether they must consider a permanent state of bad relations with Great Britain as the normal condition of affairs. I replied that the answer to that question rested largely with the Italian Government

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[1] See Annex to this document.

[2] See No. 364.

[3] See No. 399.

themselves. On no occasion had they shown, if I might speak frankly, a desire to meet us or to help towards that appeasement which was our objective. We must first get this fact clear. There was on the part of this country no desire whatever to acquire by any means any portion of Italian territory or of the Italian colonies. If Italy had exactly the same feelings, if Italy had no desire for territorial expansion at anybody else's expense, there would be no fundamental reason against the development of our relations and a return to friendship. This comment produced no reply from Signor Crolla. I went on that, if this hypothesis could be accepted, then it became in the main a question of mechanism, of how our relations were to be improved. Such an improvement certainly could not be brought about without effort on both sides. I would like to point out that the despatch of Italian troops to Spain, the considerable reinforcement of Italian troops in Libya, the sinking of neutral merchant shipping in the Mediterranean by submarines of unknown nationality, were at least none of them attributable to His Majesty's Government. Signor Crolla mentioned that the Italian Government had charges against us relating to propaganda and also in respect of our armaments in the Mediterranean. I replied that there were no grounds whatever for either charge. In respect of the latter in particular we had been very careful to give no pretext whatever for Italian fears. Though Italy had greatly increased her forces in Libya we had, as I told Signor Grandi at our last meeting and as the Italian Government were very well aware, taken no counter-measures in Egypt or elsewhere. We had deliberately refrained from so doing so as to avoid a form of competition in which we were most loath to engage. Similarly in respect of propaganda we had taken no retaliatory action whatever. He would be aware of the substance of the broadcasts from Palestine and that these were 'straight news' of an unexceptionable character. We had made no attempt to reply to Bari. It was, however, unprofitable to indulge in these mutual recriminations. I reiterated once more that we desired improved relations with the Italian Government and that such could only be realised on a basis of reciprocity. I would study the reply which Signor Crolla had left with me and, on my return to London after the Christmas holiday, I would see Signor Grandi.

I am, etc.,
ANTHONY EDEN

ANNEX TO NO. 402

Communication from the Italian Embassy to Mr. Eden

ITALIAN EMBASSY, LONDON, *December 23, 1937*

The Italian Embassy have been instructed to make to the Secretary of State for Foreign Affairs the following communication as a reply to what Mr. Eden said to Count Grandi in the course of their last conversation at the Foreign Office on December 2nd.

The Italian Government are still of the opinion that the problem of the relations between Italy and Great Britain should be approached and solved in its entirety and not partially. All the subjects should be discussed and amongst them, naturally, also that of the recognition of Italian sovereignty over Ethiopia. This is a purely moral question but it is a fundamental one for Italian public opinion and could not, therefore, be left out in a general settlement of the Anglo-Italian relations.

The Italian Government have always had in mind the contents of the letters exchanged between Mr. Chamberlain and Signor Mussolini last July, which should be the starting point of the coming conversations. In fact, Mr. Chamberlain in his letter of the 27th July last[4] said that the British Government 'will be ready at any time to enter upon conversations with a view to clarifying the whole situation and removing all causes of suspicion and misunderstanding'.

In this spirit and on these [*sic*] basis the Italian Government have always been ready to start the contemplated conversations on all the subjects the British Government might wish to raise with a view to arriving at a full, complete and lasting agreement between the two Countries.

[4] No. 65.

No. 403

The Earl of Perth (Rome) to Mr. Eden (Received December 25, 9.30 a.m.)

No. 772 Telegraphic [*R 8585/1/22*]

Important ROME, *December 25, 1937, 2.30 a.m.*

Your telegrams Nos. 392 and 393.[1]

I feel that present Italian move[2] which may well have been made as a result of Lady Chamberlain's conversation with Signor Mussolini[3] indicates that we have come to a point in Anglo-Italian relations which may well represent Signor Mussolini's last effort to achieve his desire of re-establishing friendship between the two countries. If we refuse conversations or adduce reasons even if they are good, against opening discussions now, he will come to the definite conclusion that we do not wish for an understanding with him and that we are waiting till we are sufficiently re-armed for our 'revenge' and that the Prime Minister's (? letters) etc: were intended to keep him quiet meanwhile; he will frame his future policy accordingly. I understand of course the difficulty about beginning conversations while the anti-British propaganda is proceeding unabated, but would it meet your requirements if we obtained an assurance that such propaganda would cease once conversations had begun since otherwise progress in conversations would clearly be impossible? As to the problem of *de jure* recognition, would it be out of the question to explain that while we have repeatedly declared, and as Signor Mussolini must realize, the subject cannot be dealt with except through the Powers members of the League; once we had reached agreement on all other outstanding points we, for our part, should be ready to help towards recognition? I do not know whether you consider such a course to be practical politically, nor can I at present give you an assurance that it . . .[4] meet Italian ideas.

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[1] These two telegrams of December 23 summarized the contents of No. 402.

[2] A marginal note here read: 'What move?' Lord Perth was presumably referring to the Italian note delivered by Signor Crolla on December 23: see No. 402.

[3] See No. 392.

[4] The text was here uncertain.

No. 404

Viscount Chilston (Moscow) to Mr. Eden (Received December 31)

No. 620 [*C 8939/3/18*]

MOSCOW, *December 28, 1937*

Sir,

Since the French Ministers returned from their visit to London, the Soviet press has displayed a steadily growing nervousness regarding the intentions of the French Government. It was inevitable that the Soviet authorities should look askance on the visits of MM. Flandin and Comert to Berlin,[1] and they have not hesitated to express their displeasure; but M. Delbos' round of visits has been criticised in an equally hostile spirit.

2. I have the honour to transmit herewith copies of a leading article from the *Journal de Moscou* of the 14th December entitled 'Activité Diplomatique'.[2] Some of my colleagues believe that this article was written by M. Potemkin[e], and that it demonstrates the increasing disillusionment of the Soviet Government in regard to M. Litvinov personally and the policy which he stands for. I do not myself hold this view. The writer, whoever he may be, certainly displays considerable nervousness and distrust of the British and French Governments, and M. Litvinov would probably be the first to admit that his plans for the creation of an anti-fascist bloc are as far from realisation as ever they were. But there is no suggestion here or elsewhere in the Soviet press that the Litvinov policy should be abandoned, and at the present juncture it would in my opinion be very shortsighted of the Soviet Government to abandon it. The policy has not achieved its object, but it has at least diminished the isolation of the Soviet Union at no material cost, and reversion to an isolationist policy in the present state of general insecurity would be dangerous and almost wholly disadvantageous. There remains, of course, the theoretical possibility of a *rapprochement* with Germany, but there is still absolutely no sign of a desire for this on the part of the Soviet Government, and the practical difficulties, in view of the gradual consolida-

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[1] See No. 388, note 1. M. Comert was head of Press and Information at the French Foreign Office.

[2] Not printed.

tion of the understanding between Berlin, Rome and Tokyo, would presumably be greater now than ever they were in the past.

3. M. Delbos' trip to Eastern Europe[3] might have been thought likely to please the Soviet Government, as indicative of the continued interest of the Western democracies in the fate of the Soviet Union's neighbours. It has, however, been treated by the Soviet press as a manoeuvre deriving wholly from the conversations of Lord Halifax in Berlin. The *Pravda* of the 17th December found the deepest and darkest significance in the fact that Baron von Neurath, 'in defiance of all diplomatic etiquette', went to meet M. Delbos at the station.[4] Obviously, the Soviet newspaper concludes, the French Minister for Foreign Affairs undertook his journey with the object of informing his country's allies of the outcome of the Anglo-German and Anglo-French conversations, 'and, in particular, of the favourable attitude towards German pretensions in Central Europe which had been displayed by England and also—under pressure—by France.' After the meeting with the German Minister for Foreign Affairs it was idle to suppose that the trip could possibly do anything to restore French prestige amongst her Eastern allies, and in point of fact the reception accorded to M. Delbos in Warsaw and the capitals of the Little Entente was quite as chilly as might have been expected. M. Beck, of course, played his usual role of 'commercial traveller of German fascism', embarrassed his guest by harping on Poland's colonial ambitions, and even offered to assist in arranging for a visit by M. Delbos to Berlin: 'Delbos was shown clearly enough in Warsaw that the ties between Poland and Germany are stronger than those between Poland and France, despite the French loans which Warsaw swallows so willingly. Beck made it clear that Poland had dropped out of the so-called French system of security'. The failure of M. Delbos in Belgrade is, in the opinion of the Soviet press, sufficiently demonstrated by the fact that he was received by M. Stoyadinovitch between visits of the latter to Rome and Berlin, and by the absence of any reference to the League of Nations in the Yugoslav Foreign Minister's public declarations. In Bucharest, as was only to be expected, M. Delbos could do nothing to deflect King Carol and his *fascisant* advisers from their pro-German orientation.

4. The Soviet press displays positive indignation when it comes to describe the visit of the French Foreign Minister to Prague and his conversations with the Sudetic Germans: 'Instead of giving support to public opinion in Czechoslavakia in her struggle against the outrageous intrigues of the aggressor, instead of strengthening the Franco-Czechoslovak Pact and consolidating the forces of those who protect the cause of peace, of the League of Nations and of collective security, the French Minister for Foreign Affairs took an entirely different course. He importuned the directors of Czechoslovak foreign policy to make concessions to Germany and to "refrain from complicating the obligations of France towards Czechoslovakia".' The inevitable result was an increase of German propaganda in Czechoslovakia and a growing belief that there was nothing for it but follow the Yugoslav lead

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[3] Cf. Nos. 397 and 398.

[4] See No. 380, note 4.

and come to terms with Germany. Hardly had M. Delbos quitted Prague, when negotiation began for the so-called press truce between Berlin and Prague,[5] which means in practice the acquisition by Germany of the right to conduct open fascist propaganda in Czechoslovakia and to organize a fascist party among German citizens in that country.

5. The foregoing are comments taken from the *Pravda*; but even the *Sotsialisticheskoye Zemledeliye* came out recently with a long article on the decline of French influence in Eastern Europe since the 1933 negotiations for a four-Power pact, and the *Vechernaya Moskva* expressed the view that although the German Government had no direct part in M. Delbos' visit, 'the ears of German fascism stuck out clearly on the thorny path of the French Minister for Foreign Affairs'.

6. In the published telegrams from Soviet press correspondents abroad, and also in certain editorial comments, nervousness is revealed at M. van Zeeland's proposals for bettering the world economic situation by agreement between the four Western Powers and the U.S.A.[6] The correspondents, who by the 24th December were professing to have full information as to the scope of these proposals, and to know that they had been approved by the British, French and United States Governments, declared them to be outspokenly anti-Soviet in character (apparently because they envisaged no demand for political guarantees from the fascist powers), and to constitute a dangerous attack on the League of Nations 'from the economic flank'. Meanwhile the recent leading article in *The Times* on Italy's withdrawal from Geneva has been stigmatized here as an insidious attempt, all the more dangerous for its lip-service to the League, to undermine that institution on the political side and convert it into a purely consultative body for the benefit of the aggressor Powers.

7. Finally, in to-day's *Pravda* there is a particularly bitter attack on His Majesty's Government, under the heading 'The London-Amsterdam Combination', for their alleged attempt to curry favour in Rome by prompting the Netherlands Government, and through that Government the Scandinavian States, to make the first move in recognizing *de jure* the Italian annexation of Abyssinia.[8] Signor Mussolini, the writer declares, has rebuffed all the attempts of His Majesty's Government to 'repeat the Halifax experiment' in Rome; and as the ruling circles in Great Britain are too much afraid of public

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[5] Cf. *D.G.F.P.*, Series D, vol. ii, No. 29.

[6] See No. 23, and No. 440 below.

[7] See *The Times*, December 13, 1937, p. 13: cf. No. 387.

[8] The reference is to an approach made by the Netherlands Government, apparently in November, 1937, to the Belgian, Swedish, Norwegian, Danish, and Finnish Governments with a view to solving the problem of the wording of the credentials of their representatives at Rome. It appears to have been suggested that the King of Italy might be addressed as 'His Majesty the King Emperor', avoiding any mention of Abyssinia which might imply *de jure* recognition of Italian sovereignty there. There is no suggestion in the Foreign Office files that the British Government were involved in this move: a Foreign Office despatch of December 7 to Brussels, The Hague, Copenhagen, Oslo, and Stockholm (R 7775/135/22) asked H.M. representatives for information about the Dutch initiative.

opinion to start the ball rolling by themselves recognizing the annexation of Abyssinia, they have devised this indirect method of approach, bribing the Netherlands Government with a promise to defend the Dutch East Indies against Japanese aggression—which they would anyhow be obliged to do, when it came to the point, in defence of their own Far Eastern interests. 'England enjoys a certain influence in the Scandinavian countries, and in the last few years has put up a determined struggle with fascist Germany to maintain that influence. It cannot, however, be said that this latest attempt to make use of the Scandinavian countries shows much intelligence. The whole of this hastily-concocted London-Amsterdam combination bears witness to the fact that England cannot wait. She is in a hurry to come to an agreement with Rome, and as Mahomet will not come to the mountain, the mountain is going to Mahomet'.

8. In short, the Soviet Government are more than usually suspicious of British and French foreign policy, more than usually apprehensive of a Western European agreement from which they would be excluded. The Soviet Union, M. Viktorov declares in a recent article, is the only country in the world which can stand alone and needs no outside help in defending its frontiers. But, as I have said, there is no indication that the Soviet Government intend to adopt a policy which might put the truth of this declaration to a practical test; indeed their very irritation at the comparative failure of M. Litvinov's schemes for the formation of an anti-fascist *bloc* may be taken as showing that they still regard his policy as the most advantageous from their own point of view.

I have, etc.,
CHILSTON

No. 405

The Earl of Perth (Rome) to Mr. Eden (Received December 31, 9.30 a.m.)

No. 779 Telegraphic [*R 8800/1/22*]

Important ROME, *December 30, 1937, 10.35 p.m.*

If, as I gather from conversation with Signor Crolla recorded in your despatch No. 1333[1] of December 23rd, cessation of propaganda is not a prior condition to opening of conversations and provided question of *de jure* recognition can be treated on some such line as those indicated in my telegram No. 772[2] might not the best course be that I should have a frank talk with Count Ciano on the whole matter?

I could tell him clearly that if we were to open the conversations and present stream of anti-British propaganda (I have considerable ammunition on this point) continued no progress could possibly be made; in fact I should be compelled in such circumstances to recommend to you the suspension of talks owing to unfavourable atmosphere created by continuance of propaganda and I would point out that result would be more detrimental to Anglo-Italian relations than if talks had never been begun.

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[1] No. 402.

[2] No. 403.

If, however, he would give me a categorical assurance that anti-British propaganda in the press by wireless and through agents would be damped down from the moment the conversations started then I was authorized to begin discussions.

I feel that this would be the best method of breaking the present deadlock. I believe that I can talk very frankly and openly to Count Ciano without his taking it amiss while doubtful whether Count Grandi exercises much influence or may wish to convey unpleasant truths to Rome. You may, however, prefer in view of what you said to Signor Crolla to await Count Grandi's return before instructing me to make any move.

No. 406

Sir E. Phipps (Paris) to Mr. Eden (Received December 31)

No. 764 Saving: Telegraphic [*W 22897/7/41*]

PARIS, *December 30, 1937*

Political Director tells me the French Government hear that the Duce contemplates sending reinforcements to General Franco, whose much advertised offensive seems to be hanging fire.[1]

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[1] Mr. Eden wrote on the filed copy of this telegram: 'Rome should be told of this and asked to comment.' Telegram No. 1 to Rome of January 1, 1938, asked Lord Perth if he had received any report of Italian reinforcements to General Franco.

General Franco's plans for an offensive against Guadalajara and Madrid had been pre-empted by a Republican attack on Teruel on December 15. General Franco decided that the loss of this provincial capital would be too damaging to prestige, abandoned his own plans and mounted a counter-offensive on December 29. Bitter winter weather led to a stalemate until January 8th, 1938 when the Republican troops broke down the last pockets of Nationalist resistance inside Teruel and themselves became the besieged. According to *Ciano's Diary, op. cit.*, Signor Mussolini was seriously considering the voluntary withdrawal of Italian troops from Spain at this time. Italian generals were critical of General Franco's tactics and the troops were restless. It was decided on December 28, however, that Italian forces would stay in Spain 'until victory', as a withdrawal would only 'encourage and confirm those who say that Italy is exhausted and can't stand any further military efforts'. General Franco was to be told, however, that he must work 'for a speedy conclusion—a military conclusion without relying too much on an internal collapse of Red Spain' (pp. 50 51).

No. 407

Mr. Eden to the Earl of Perth (Rome)

No. 398 Telegraphic [*R 8800/1/22*]

FOREIGN OFFICE, *December 31, 1937, 10 p.m.*

Your telegrams Nos. 772[1] and 779.[2]

Italian request that *de jure* recognition should form one of the matters to be discussed during the projected conversations raises an issue, which, while always latent between His Majesty's Government and the Italian Government, must if introduced into the discussions broaden their basis. It is therefore a much bigger and more complicated problem which we have to consider. This will inevitably take time and I must rely on you to make it clear to Count Ciano that our silence does not mean that we are ignoring the Italian proposal.

For your own information I will have to consult the French on the situation which has now arisen, and I propose to do so when I meet M. Delbos at the forthcoming League Council at Geneva. Until then it will be impossible for me to return any reply to the Italian communication of December 23rd.[3] It would be premature, and might be misleading, therefore, if you were to enter meanwhile into any discussions with Count Ciano on the lines suggested in your two telegrams.

[1] No. 403.

[2] No. 405.

[3] See No. 402.

No. 408

Press notice[1] regarding new Foreign Office appointments

[*P 55/55/150*]

FOREIGN OFFICE, *December 31, 1937*

The Secretary of State for Foreign Affairs in consultation with the Prime Minister has recently had under review the conditions which for some time past have placed an increasing strain upon the personnel of the Foreign Office.

Apart from the international complications arising from the Spanish war and the conflict in the Far East, which require concentrated and unremitting attention, international affairs in general necessitate attendance either by Ministers or by permanent officials at Conferences, Committees and interdepartmental meetings of all kinds, seriously reducing the time available for the prolonged and careful consideration of questions of broad policy by those in the positions of greatest responsibility.

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[1] The notice was published in *The Times* of January 1, 1938 (p. 12) and elsewhere.

After weighing up all the circumstances the Prime Minister and the Foreign Secretary have come to the conclusion that the required relief can best be afforded by the creation of a new post in the Foreign Office, following the example of somewhat similar posts in other Departments. The Prime Minister has accordingly authorised the Foreign Secretary to appoint a Chief Diplomatic Adviser responsible directly to the Secretary of State.

The functions of the new officer will be analogous to those fulfilled by the occupants of the similar posts attached to other Departments (the Chief Industrial and the Chief Economic Advisers to the Government), and will include advising the Secretary of State upon all major questions of policy concerning foreign affairs remitted to him for that purpose, and representing the Foreign Office on any occasions whether at home or abroad on which the Secretary of State may wish to avail himself of his services.

In order to give full effect to the purposes in view it is necessary that the new post should be filled by a person of international reputation and authority and accordingly Sir Robert Gilbert Vansittart, G.C.B., G.C.M.G., M.V.O., Permanent Under-Secretary of State for Foreign Affairs, has been selected to be the first holder of the office.

Consequent upon the above appointment the Secretary of State for Foreign Affairs has appointed The Honourable Sir Alexander Montagu George Cadogan, K.C.M.G., C.B., Deputy Under-Secretary of State in the Foreign Office, to be Permanent Under-Secretary of State for Foreign Affairs.

These appointments will take effect on January 1st, 1938.[2]

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[2] The possible termination of Sir R. Vansittart's appointment as Permanent Under Secretary for Foreign Affairs had been under discussion since the end of 1936: see Volume XVII, p. xiv. There appears to be no information in the F.O. archives about discussions of his position during 1937, but there are occasional references in diaries, memoirs, and private papers of the period and in Dr. Norman Rose's biography, *Vansittart: Study of a Diplomat* (London, 1978). It appears from the *Diplomatic Diaries of Oliver Harvey, op. cit.*, that Mr. Eden was talking in March 1937 of a 'lack of confidence in Van's judgment' and belief that he was no longer 'in a fit state of health for his work'. Early in May Mr. Eden spoke to Mr. Chamberlain about the 'necessity of replacing him' and the Chancellor agreed, but postponed action and disagreed with Mr. Eden's suggestion of Sir Alexander Cadogan as Vansittart's successor (*ibid.*, pp. 22, 44). It is evident, however, that after becoming Prime Minister Mr. Chamberlain's annoyance with what he regarded as Foreign Office obstructionism tended to concentrate on Sir Robert. In his memoirs (*Facing the Dictators, op. cit.*, p. 521), Mr. Eden stated that in the autumn of 1937 he decided that the time had come to strengthen his staff by the appointment of Sir A. Cadogan as Permanent Under Secretary, and successfully resisted the proposal, made by Sir Warren Fisher and supported for a time by Mr. Chamberlain, that Sir Findlater Stewart of the India Office should receive this appointment.

Sir R. Vansittart had, however, some cards to play, for his dismissal or resignation might have been regarded as the abandonment of the distinctive political attitude that he was believed to represent. It appears that it was Mr. Chamberlain who met the difficulty by proposing Vansittart's appointment as Chief Diplomatic Adviser, and he put the idea to Sir R. Vansittart, without indicating any alternative, apparently on December 9. Discussion of detail by Sir R. Vansittart and Mr. Eden followed on December 10, when the former stipulated as a 'sine qua non' of the change that he should retain control of the secret service, which traditionally worked under the personal direction of the Permanent Under Secretary. Mr. Eden reported this condition to Mr. Chamberlain in a letter of December 12, preserved in the Chamberlain Papers, expressing his reluctance to deprive Vansittart's successor of this control.

It was eventually agreed that Sir A. Cadogan should be responsible for 'secret service' contacts, but that Sir R. Vansittart should continue to occupy the P.U.S.'s room at the Foreign Office.

In a letter to his sister Ida of December 12, also in the Chamberlain Papers, Mr. Chamberlain remarked: 'After all the months that S[tanley] B[aldwin] wasted in futile attempts to push Van out of the FO it is amazing to record that I have done it in 3 days.' It was at first intended that the appointment should be announced in January and take effect in February, but owing to press rumours the date of the announcement was brought forward. The final definition of Sir A. Cadogan's position was made in a memorandum on the circulation of papers, which was endorsed by Mr. Eden on his return to the Foreign Office in January. This made it clear that papers would be submitted to and received from the Secretary of State directly by Sir A. Cadogan. This and other details of the status of the Chief Diplomatic Adviser were circulated to H.M. representatives abroad on February 1: see *The Diaries of Sir Alexander Cadogan* (London, 1971), p. 40, and No. 483 below.

No. 409

Memorandum[1] *by Mr. Eden*

[*C 74/42/18*]

Secret FOREIGN OFFICE, *January 1, 1938*

I circulate to my colleagues on the Foreign Policy Committee the enclosed paper which has been prepared in the Foreign Office to indicate some of the main points which seem to require an early decision in order to enable His Majesty's Government to follow up the recent conversation between the Lord President of the Council and Herr Hitler.[2]

A.E.

Enclosure in No. 409

The next steps towards a general settlement with Germany

The conversation between Lord Halifax and Herr Hitler showed that, if we wish for a general settlement with Germany, it will be for us, and not for the German Government, to take the next step by putting forward some concrete proposals. The conversations with French Ministers[3] showed that no progress could be made until His Majesty's Government had made up their mind on how the problem of Germany's colonial claims is to be tackled. The next step, therefore, lies with us. It is important, if we are really anxious to prevent the hopes created by the recent conversations from evaporating, that there should be no long delay. We must keep moving; and we must try to make some further communication on the subject not only to the French Government, but also to the Germans, as soon as we possibly can.

The Colonial Settlement

The first question which the Foreign Policy Committee will have to consider is whether, and if so to what extent, His Majesty's Government for their part would be prepared to comply with Germany's demands. Her present claim is for the return to her of all her former colonies, or, if there is any colonial territory which for strategic reasons we are unwilling to return, for equivalent colonial territory elsewhere. The view which the Cabinet have taken in the past is that, whatever the position regarding other colonial territories, we could not contemplate the return of Tanganyika to German rule. The first question, therefore, to be considered is what *territorial* concessions, if any, we are prepared to make to Germany. If the French are prepared to return to Germany those parts of Togoland and the Cameroons which are under French mandate (N.B. there is a further large part of the Cameroons which was ceded by France to Germany as part of the Moroccan Settlement in 1911, and was returned to France in full sovereignty after the War), we should have to make at least an equivalent territorial sacrifice. We should have, therefore, to give up more than the parts of Togoland and the Cameroons under United Kingdom mandate. Indeed, the Germans apparently hope that we will offer them, in addition to Togoland and the Cameroons, some colonial territory approximately equivalent to Tanganyika.

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[1] Circulated to the Cabinet Committee on Foreign Policy as F.P.(36)41.

[2] See No. 336.

[3] See No. 354.

It is not within the competence of the Foreign Office to suggest what British colonial territories, if any, could be transferred to Germany to meet the German claims.

The second question to be considered by the Foreign Policy Committee is how South-West Africa, New Guinea, Samoa, &c., viz. those former German colonies now under South African, Australian, and New Zealand mandates, are to be dealt with in any offer which we may eventually make to the Germans. This again is not a point on which the Foreign Office seems to be in a position to advise.

The third question is the position of colonial powers other than the British Empire and France. Belgium for example, has the important district of Ruanda-Urundi under mandate. Do the strategic reasons, which prevent us from giving Tanganyika to Germany, also apply to the possibility of Belgium giving back Ruandi-Urundi to Germany? And if Belgium is to retain Ruandi-Urandi, will she not have to be asked to make some contribution to a colonial settlement with Germany? How is this to be done? These strategic problems should perhaps be examined by the Chiefs of Staff.

Again, it is often forgotten that Portugal reacquired after the War a small district, the 'Kionga Triangle', which had been taken from her by the Germans in 1894, and had formed part of German East Africa until 1914. Is Portugal to contribute colonial territory to a settlement with Germany, and if so, how?

The 'General Settlement'

Another question which, it is submitted, the Foreign Policy Committee should consider is the question what really is meant by the phrase a 'general settlement' with Germany. Lord Halifax made it clear to Herr Hitler that 'it was out of the question for this or any other Government to touch the colonial question, except in the setting of a general settlement'. The Germans strongly object to the term 'general settlement', and it behoves us therefore to be quite clear where its value lies in our eyes. Do we mean to try for some multilateral settlement on a grand scale, in which all Governments concerned would participate on an equal footing, and in which concessions would be balanced against concessions and benefits and contributions would be more or less mutual? It must surely be admitted that a new Peace Conference, with such an ambitious programme, stands very little chance of success. One alternative would be to envisage in the first place—as the Germans presumably wish—a purely Anglo-German settlement, which will be 'general' only in the sense that it will cover all the points outstanding between the two countries. Such an Anglo-German settlement would have no doubt to be completed by other agreements; there might, for example, be similar bilateral settlements between Germany and other countries, such as France and those countries in Central and Eastern Europe with whom Germany might have agreed to negotiate; and there would presumably also have to be multilateral agreements on those questions which require such treatment, and which Germany might have agreed with us to settle, such as disarmament and a Western Pact for example. We would have to arrange that any cession of colonial territory, to which we might agree in our Anglo-German agreement, should only take effect on the conclusion and entry into force of all these agreements.

Germany and the League

Finally, the Committee must take into account the fact that on December 12th, less than three weeks after Lord Halifax's discussions with Herr Hitler, the German Government issued an official announcement saying that 'a return of Germany to the League will no longer come into consideration'.[4] It is, to say the least of it, somewhat surprising that the German Government should have gone out of their way to announce that Germany will never return to the League, when Herr Hitler had so recently been reminded by Lord Halifax that His Majesty's Government put Germany's return to the League in the forefront of British demands. We must now consider whether, in spite of this German announcement, we should still try to press the German Government, as part of a 'general settlement' and more particularly of a Colonial settlement, to return to Geneva; or whether we should tacitly abandon all demands to this effect in our future discussions with Germany. Although it may be difficult to devise any other pledge which Germany could be asked to give in proof of her intention of being a good European, it is for consideration whether in any future exchange of views with Germany we should not do well, if we want to make any progress, to avoid using such expressions as 'the League' and 'Geneva', and speak only of co-operation in some international system for mutual consultation and collaboration. If so, we must be prepared for the German Government to propose that this international system should take the form of a 4-Power combination (or possibly 5-Power, so as to bring in Poland). It must however be realised that such a system would tend to exclude Russia and France's lesser Allies from the Concert of Europe, and would not be a satisfactory instrument for the preservation of European peace.

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[4] See No. 393, note 2.

Summary

To sum up, the Foreign Policy Committee will have to consider the following questions:

1. Colonial Settlement:
    (a) United Kingdom contribution, as compared with French contribution.
    (b) Dominions contribution.
    (c) Contribution, if any, of other Colonial Powers, e.g. Belgium (Ruandi-Urundi) and Portugal (Kionga Triangle).
2. Nature of general settlement.[5]
3. Situation arising from German Government's announcement of December 12th that Germany will not return to the League.

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[5] In the course of a minute of December 30 commenting on the draft of this memorandum, Sir A. Cadogan remarked: 'We cannot be expected to give Germany colonial territory unless we get something in exchange. We have generally referred to this as a "general settlement". But I don't know that this need be effected by a multilateral instrument. Germany professes horror of such instruments and expresses preference for bilateral agreements. I don't see why we shouldn't approach a general settlement by way of bilateral agreements, if Germany prefers that and if she will give anything at all in exchange for colonial cessions.

If we decide in principle that we could cede colonial territory could we do that by way of a bilateral agreement with Germany stipulating that the latter should join with us in making every effort to put through a measure of disarmament (in the air at least) and should come into some system of international cooperation & consultation (not necessarily "the League"), the actual cession to take effect simultaneously with the coming into force of the disarmament agreement and Germany's entry into the "system". We might also make the consummation dependent on the simultaneous signature by Germany of bilateral agreements with her neighbours.

I admit all this is very vague . . . A.C. Dec. 30, 1937.'

An undated comment by Mr. Eden reads: 'This is most helpful. Please speak. A.E.' There is no clear indication of whether Mr. Eden did discuss this question with Sir A. Cadogan before January 3, when he left for a holiday in the South of France. Mr. Chamberlain, however, who took charge of the Foreign Office in Mr. Eden's absence, was clearly giving this matter a great deal of thought all through this period: see Nos. 420, 439, and 465 below.

No. 410

Letter from Mr. Eden to Mr. Chamberlain

[*R 248/7/22*]

Very Confidential FOREIGN OFFICE, *January 1, 1938*

My dear Prime Minister,

As a result of our conversation just before Christmas we have been considering here whether it would be possible to strike a bargain with the Italians in return for granting them *de jure* recognition as regards Abyssinia.

The attached memorandum 'A'[1] gives the outcome of the Department's researches. I confess the more I look into it, the more I dislike the idea of this bargain, first, because we have so repeatedly in the past said we would not do so, and secondly, because I feel that we would be putting ourselves in a somewhat invidious position by appearing to withhold *de jure* recognition until and unless we were offered our price, instead of considering the question on its merits in the light of the realities of the situation.[2]

I have therefore been led to consider the alternative of granting *de jure* recognition on its merits, while accompanying our action by certain measures which would be calculated to improve our tactical position vis-à-vis Italy, while at the same time opening the way to Anglo-Italian conversations. The scheme is set forth in the accompanying memorandum.[3] I shall be glad to know what you think of it, and, if you approve it in principle, I would propose to discuss it with Delbos when I meet him at Geneva on the 17th. Meanwhile I would suggest that it is hardly necessary to obtain the views of the Cabinet on the scheme at the present stage.

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[1] This memorandum was prepared at an interdepartmental meeting held at the Foreign Office on December 29 and presided over by Sir O. Sargent. A copy, dated December 29, is filed at R 248/7/22. Its purpose was to examine, on Mr. Eden's instructions, 'the possibility of making the grant of *de jure* recognition to Italy a lever whereby to extract from her as many concessions as possible', and it summarized possible Italian counter-concessions in two groups. In the first were those involving no inconvenient counter demands, namely (1) Italian agreement not to obstruct new settlements concerning Palestine and Syria; (2) a reaffirmation of that part of the joint resolution of the Stresa Conference (1935) dealing with Austria; (3) Italian accession to the London Naval Treaty of 1936; (4) freedom for missionary activity in Ethiopia. In the second group were concessions which might 'involve inconvenient Counter Demands', namely (5) reduction of the Italian garrison in Libya; (6) dismantlement of certain Italian fortifications in the Mediterranean region; (7) Arabian and Red Sea questions; (8) Ethiopian frontiers and Lake Tsana; and a further unnumbered demand referring to 'some declaration [from the Italian Government] going rather further than the terms of the Anglo-French [*sic*] joint declaration of January 2 regarding the territorial status quo in Spain and the Balearic Islands' (see Volume XVII, No 530). There was also reference to the need for cessation of Italian propaganda to create an atmosphere suitable for successful conversations.

[2] On the original of this letter, preserved in PREM 1/276, Sir Horace Wilson underlined the words 'our price' and 'realities' in this sentence and made the following marginal comment: 'Our price surely is related to the realities.'

[3] Memorandum 'B', also filed at R 248/7/22, was drawn up by Sir O. Sargent and put to Mr. Eden on December 31. It pointed out that when the question of *de jure* recognition was first raised in 1936 it was laid down 'that we should, when the time came, consider this question on its merits and not make use of it in order to extract any specific concessions from the Italian Government in return'. It had also been regarded as a matter for the League of Nations as a whole. The Italians had now stipulated that the agenda of the Anglo-Italian conversation, if they were to take place, must include the question of *de jure* recognition: even so, 'would we not be putting ourselves in a false position by consenting at this later hour to bargain away our recognition?' It was suggested therefore that His Majesty's Government should arrange with the French to make at Geneva during the forthcoming Council meeting four simultaneous moves: (1) in the interests of 'good understanding between nations upon which peace depends' to recognize the *de jure* sovereignty of Italy over Ethiopia; (2) to announce with the French the intention to pay Haile Selassie an annuity while in exile; (3) to publish with the French a joint declaration of intention to 'consult and collaborate in the defence of their respective interests' in the Mediterranean, Near East, and Red Sea; (4) simultaneously to inform the Italian Government 'that we shall now be ready to start conversations on all outstanding questions'.

The whole question is, in truth, a very troublesome one, whichever angle we look at it from. There is no doubt that Mussolini is himself in a difficult position at the present time. He has not only his own economic troubles but he has heavy commitments in Abyssinia and in Spain. To grant him *de jure* recognition as the result of a bargain seems to me rather sordid and might be dangerous to our reputation, quite apart from fitting in the French and the League. To give him recognition without a bargain as suggested in 'B', which of the two courses is the one I prefer, would I suppose be hailed as a considerable triumph for Mussolini and in consequence we should be raising the stock of one of the Dictators and strengthening the weakest link in the three-Power chain.[4] Italy would in consequence become all the more attractive to Germany just as she first became attractive to Germany after her successful resistance to sanctions. We might, therefore, find that we had only strengthened the Rome-Berlin axis instead of weakening it. Furthermore, certain reports which have recently reached me (and I am asking that the most interesting one be shown to you on your return) indicate that Mussolini himself is not likely to modify his policy in the near future whether he gets recognition or not, but that he does realise that some day he must improve his relations with us. For the present he apparently prefers to exert his nuisance value. Is he really to be diverted from this because he gets *de jure* recognition or shall we only be giving him an increase to his power to be a nuisance?

Last and not least is the position in Abyssinia itself where it is evident that the Italians are in considerable difficulty. Our last reports from the Sudan, received only this morning, show that a considerable portion of the Amhara are in open rebellion. I do not, of course, suggest that these reports would justify us in thinking that Italy would have to abandon Abyssinia, on the contrary, she will have to hold on to Abyssinia until the last. But I do not think we can altogether rule out some serious local troubles which might result in the world knowing that Italy had completely lost grip on part of Abyssinia. If this were to happen at the time we were giving *de jure* recognition, we should cut an extremely sorry figure. Indeed, it is rather remarkable that so little has been heard of what has been taking place in Abyssinia up to the present.

All this, I fear, is rather unhelpful and I hate to plague your holiday with it. I will thrash the matter out thoroughly with Delbos when I see him and exchange our information about local conditions with theirs—for they must know a good deal from Jibuti—and then we shall have to take our decision.[5]

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[4] i.e. Germany, Italy, and Japan.

[5] Mr. Chamberlain described his reaction to this letter and its enclosures in his diary: see Appendix I to this Volume.

No. 411

Foreign Office[1] *to Sir N. Henderson (Berlin)*

No. 29 [*C 8311/270/18*]

FOREIGN OFFICE, *January 5, 1938*

Sir,

I have read your despatch No. 1060[2] of the 29th November last and have given careful consideration[3] to your suggestions for securing and maintaining an attitude on the part of the Press, both in this country and in Germany, such as will not prejudice the possibility of Lord Halifax's recent visit leading to better relations between the two countries.

2. That His Majesty's Government share the desire expressed by Dr. Goebbels to Lord Halifax of preventing Press comments from disturbing international relations is clear from the statement which the Prime Minister made in the House of Commons on the 21st December when he said that he 'did not think any greater service could be rendered to the cause of peace than by the exercise of restraint and toleration by the Press of both countries, whether they are presenting their account of current events or whether they are commenting upon policies and upon personalities. The power of the Press for good or for evil in international relations is very great, and a judicious use of that power, accompanied by a full sense of responsibility, may have far-reaching effects in creating an atmosphere favourable for the purposes at which we are aiming.'[4]

3. Dr. Goebbels told Lord Halifax that he was alive to the differences between the British and the German Press; but I doubt if he yet fully appreciates the difficulty of controlling the Press in this country in the manner he desires. Dr. Goebbels' complaint is twofold. First, he complains of the attacks made on Herr Hitler, who occupies an exceptional position in Germany both as Leader of the National Socialist Party and as Head of the German State, and suggests that if the British Press feel it necessary to criticise German policy they should attack the responsible minister. This is, I fear, a distinction which would not be accepted by the British Press. Heads of States who are also active politicians cannot hope to escape political criticism in countries where there is a free Press. Herr Hitler is 'news', and it cannot be expected that the Press will refrain from making use of the news value which he possesses among the public.[5]

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[1] Mr. and Mrs. Eden left London on January 3 for a short holiday. He saw Sir E. Phipps in Paris later that day, and arrived at Cannes on the way to Grasse on January 4. In his absence, Mr. Chamberlain took charge of the Foreign Office. The draft of the present despatch was initialled by Mr. Eden.

[2] No. 353.

[3] Copious minutes on despatch No. 1060 bear out this statement.

[4] See 330 *H.C. Deb. 5 s.*, col. 1805.

[5] The following passage at this point in the draft of this despatch was subsequently deleted: 'A suggestion to a cartoonist like Low, whose cartoons have, in the past, caused offence in

4. Dr. Goebbels' second complaint is directed towards the general attitude of the British Press towards Germany. There are, as Your Excellency realises, fundamental reasons why a large part of the British Press should be hostile to modern Germany. The National Socialist régime and the conceptions which underlie it are the antithesis of the methods and ideals of action and thought both in internal and in international affairs of a very considerable section of the population of this country. As this feeling is a real one it would be useless to attempt to bring about a change in the tone of the Press which represents it. Such an attempt would, in fact, be more likely to have the opposite effect. Even were it likely to succeed I feel that any such attempt to influence the Press of this country would be highly undesirable. It would run counter to the traditions of both Press and Government in this country and would imply a claim on the part of His Majesty's Government to control the Press which might have dangerous consequences.

5. In paragraph 5 of your despatch Your Excellency suggests that the German Ambassador in London should be informed that any complaints which he may make to the Foreign Office about the British Press will be sympathetically received. The German Embassy have frequently brought complaints to this Department both about attacks on Herr Hitler and about the general attitude of the British Press. Thus for instance, in May 1936 the Embassy complained about certain passages in a book written by Konrad Heiden; in October 1936 they complained about a statement in the *Daily Herald* that Herr Hitler was mad; in December 1936 about posters at Gibraltar bearing a caricature of Herr Hitler; in January 1937 about a skit on Herr Hitler in a pantomime; in March 1937 about a statement in *The People* that Herr Hitler had sent spies to this country; in March and again in July 1937 about two open letters addressed to the German people by Mr. Herbert Morrison which were published in *Forward* on 9th January and 29th May respectively; and in September 1937 about a statement made in public by a certain Reverend J.S. McNab that Herr Hitler had killed his best friends and that Germany was in the grip of a gang of gangsters. On all such occasions the representations of the German Embassy have been sympathetically received and such action as was possible and desirable had been taken. I would recall, as a further example, the response to German representations about a press report recorded in my despatch No 1475 of the 9th December.[6] In the case of the skit on Herr Hitler in a theatrical performance it was possible, since censorship exists in the theatre, to secure the excision of the offending number. It should, however, be remembered that although, as the German Embassy have more than once been informed, His Majesty's Government deplore the use of violent language about foreign countries, their rulers and governments, both in speech and writing, this is a country of free speech and a free Press. The only real check on such statements is the law of libel, and it is my opinion,

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Germany, that he should cease making use of Herr Hitler and Signor Mussolini as subjects for his caricatures would be futile, and, if his employers were to agree to release him from the *Evening Standard*, it is exceedingly unlikely that he would remain unemployed for long.'

[6] Not printed.

which I have made known to the German Embassy, that on these occasions legal proceedings, even if possible, would normally serve no useful purpose and merely result in giving further publicity to the statements to which objection is taken. Apart from the possibility of these legal proceedings, the only action open to His Majesty's Government in cases other than those of theatrical productions, is to remonstrate unofficially with the editor of the paper or with the individual concerned. In the case of the more irresponsible papers—and this applies equally in the case of such attacks as those made by Mr. Morrison and Mr. McNab—such remonstrances may well be used as a basis for further attacks.

6. Nevertheless, I fully appreciate the desirability of preserving the *détente* which has resulted from the appeal which Your Excellency made to Dr. Goebbels on the eve of Lord Halifax's visit. If, therefore, you feel that it would serve a useful purpose I authorise Your Excellency to assure Dr. Goebbels of your anxiety to keep in the closest possible touch with him on all matters concerning the Press. You can also assure him that a sympathetic reception will be given in the future, as it has been given in the past, to any complaints about the British Press which the German Embassy may desire to bring to the notice of the Foreign Office. In doing so you should bring to his attention the terms of the Prime Minister's statement which is quoted in Paragraph 2 above. You should point out that this is not the first time the Prime Minister has spoken recently in this sense, since, in a speech in the House of Commons on 25th June, he made 'a very earnest appeal to those who hold responsible positions both in this country and abroad', among whom he specifically included the Press, carefully to weigh their words 'bearing in mind the consequences that might flow from some rash or thoughtless phrase'.[7] It should therefore be clear to Dr. Goebbels that it is the desire of His Majesty's Government just as much as of the German Government that no action should be taken by the Press of the two countries which is likely to prejudice good relations.

7. Having said this, I feel I cannot authorise you to give any assurances to Dr. Goebbels which might convey to him the impression that His Majesty's Government can in fact control the free expression of opinion as voiced in the newspapers of this country. Not only does the press, especially the Opposition Press, resent any such interference on the part of a government department, but certain elements in Parliament itself both in questions and in debates are inclined to wound the susceptibilities of other countries even more than does the Press, and what is said in Parliament is reproduced the next day in the Press. We are therefore pursuing a hopeless quest in so far as anything which might be attempted with the Press is liable to be undone at any moment by individual members of Parliament. It must be remembered that there is a fundamental difference in outlook on these matters in Germany and in Great Britain and no arrangements attempted from above can bridge that gulf. We must therefore accept that fact and leave the Germans under no illusions as to its reality. If we accept the limitations under which we are forced to work in an

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[7] See 325 *H.C. Deb. 5 s.*, col. 1549.

effort to create smoother relations between the two countries, we may be able to achieve more than if we attempt the impossible. I suggest therefore that a frank discussion with Dr. Goebbels on these lines may succeed in carrying more conviction than any assurances in guarded language with which I might attempt to provide you and which might well prove in the event to have been misleading to the Germans.

I am, etc.,
WILLIAM STRANG

No. 412

The Earl of Perth (Rome) to Foreign Office (Received January 11)

No. 11 [*R 290/23/22*]

ROME, *January 5, 1938*

Sir,

With reference to my telegram No. 3 of to-day's date,[1] I have the honour to inform you that I had an opportunity of having a short talk with Signor Mussolini during the performance at the Opera last night.

2. After we had exchanged New Year's greetings, Signor Mussolini, who seemed to be in excellent form, asked me laughingly what news I had from Daventry.[2] He then said: 'When are we going to stop teasing each other? We do not want war, and you do not want war. Sometimes I cannot help feeling that all the present fuss is largely comedy'. He remarked that he hoped that I knew that there was no preventive censorship in Italy. Quite often he was dissatisfied with certain press articles, but as a rule he hardly felt it worth while to take action after the event.

3. I replied that I knew that there was no preventive censorship in Italy, but I observed that I thought that the writers wrote what they considered would be agreeable to him. To this remark Signor Mussolini made no answer except by shrugging his shoulders.

4. Returning to Anglo-Italian relations, he remarked that it was necessary to have a complete and full settlement, and not a partial one. When I said that it seemed to me that the difficulties were mainly psychological, Signor Mussolini agreed. He observed, however, that though in one sense this was good, since it showed that there was no serious clash of material interests between the two countries, in another it might be a bad thing, since psychological difficulties sometimes proved to be the most difficult to overcome.

5. Signor Mussolini enquired about the recent changes in the Foreign Office,[3] and asked me if I thought that this implied any alteration of policy. I

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[1] Not printed. It summarized Signor Mussolini's remarks in the present despatch.

[2] The reference is to broadcasts by the BBC's Arabic Service, inaugurated on January 3, 1938. See Asa Briggs, *The Golden Age of Wireless* (Oxford, 1965), pp. 398–406.

[3] See No. 408.

answered that any such idea would be completely mistaken. He expressed great appreciation of the personality of Sir Robert Vansittart. He also enquired whether 'Cadogan' was not a Jewish name. I assured him that it was not. He spoke, too, of the value of Lady Chamberlain's visit to Rome. I thought it well to take the opportunity of saying to him, as I had already done to Count Ciano, that if we did not reply at once to his recent proposals about conversations it was because the questions raised were so important that we must have time to consider them. Signor Mussolini did not seem to be much interested in the point.

6. He then discoursed at some length on British internal politics. He said he could not understand why the Conservative Party, which had a clear majority over the others, paid so much attention to the views of its opponents; the Labour Party, headed by Major Attlee, had made such bad mistakes that they must have lost much support in the country; the Liberal Party was very small, and hardly counted. He believes apparently that the Conservative Party is in favour of a complete settlement with Italy, but that the Government were somewhat nervous of adopting such a policy because of the Opposition.

7. Finally, Signor Mussolini begged me to do all I could to help towards an early agreement between our two countries.[4] He seemed to think that I had considerable influence with the Prime Minister and the Secretary of State. I replied that I had tried and would continue to try to improve Anglo-Italian relations, but that he must not overestimate the influence which an Ambassador could exercise.[5]

I have, etc.,
PERTH

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[4] According to *Ciano's Diary, op. cit.*, p. 60, Lord Perth in this conversation said to the Duce that 'we shall see agreement before the year is out—possibly . . . within the next three months'. Count Ciano's comment was: 'When the sky turns pink . . .'

[5] Sir O. Sargent minuted on January 7: 'I think considerable importance attaches to this fortuitous meeting . . . we ought, I think, to treat it as a definite and personal appeal for conversations on the lines indicated in the Crolla note of Dec. 23rd [Annex to No. 402]. The question arises whether, as such, it merits some sort of special reply, or whether the whole matter has now been put on a sufficiently satisfactory basis to enable us to keep silence until the Secretary of State has had his talk with Delbos and we are ready to send our definite instructions to Lord Perth, which in effect will be of course in the first place an answer to the Crolla proposal . . .' Sir A. Cadogan agreed (January 8) that Lord Perth should be sounded as to whether an interim message 'wd. be a good thing to keep Mussolini "sweet", he might let the Duce know that the P.M. and the S. of S. are consulting as to the next step . . .' In reply to an enquiry on these lines in Foreign Office telegram No. 5 of January 10, Lord Perth replied in telegram No. 12 of January 11 that his talk with Signor Mussolini at the opera had been discursive and should not be regarded as official; he did not think any further action was required.

No. 413

Sir R. Lindsay (Washington) to Foreign Office (Received January 8, 9.30 a.m.)

No. 26 Telegraphic [*F 315/84/10*]

Secret WASHINGTON, *January 7, 1938, 5.58 p.m.*[1]

My immediately preceding telegram.[2]

Please note that in the past month or so the Under Secretary of State for Foreign Affairs has invited confidential exchanges about anti-comintern treaty, Hitler conversations, Roumania (my despatch 3)[3] and now Russia, and on another occasion which I did not report he asked me about prospects of war in Spain. As the Under Secretary of State for Foreign Affairs always acts deliberately and with his eyes open to implications, I infer that just as we now have naval staff conversations so he would wish to have similar intimate relations between Foreign Office and State Department as regards information. I think it would be most wise to meet what I imagine his wishes to be, and if you agree I might be able to suggest some ideas.

I feel confident State Department may be trusted to keep secrets.[4]

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[1] The date of this telegram was given on the filed copy as January 8, apparently in error.

[2] In this telegram of January 7 Sir R. Lindsay reported that Mr. Sumner Welles had asked if he had any 'confidential information' about Russia, with particular reference to the internal Soviet position and Soviet aid to China. Sir R. Lindsay asked if the Foreign Office had any documents which could be communicated to Mr. Welles.

[3] Of January 2, 1938, not printed (R 324/9/37).

[4] Foreign Office minutes expressed general agreement with the desirability of meeting Mr. Welles's request for information. Sir A. Cadogan noted on January 12 that in his experience 'the State Department are very good at keeping secrets'. It was agreed that the best way to pass the information on would be through the U.S. Embassy in London. Notes prepared in the Northern Department covering some of Mr. Welles's points of enquiry are filed at F 315/84/10, and were handed to Mr. Herschel Johnson on January 22 by Mr. N. B. Ronald, a First Secretary in the Far Eastern Department. See also No. 451 below.

No. 414

Foreign Office to Sir R. Lindsay (Washington)

No. 21 Telegraphic [*R 237/7/22*]

FOREIGN OFFICE, *January 7, 1938, 11 p.m.*

Anglo-Italian relations have reached a stage when it behoves us to consider seriously the question of according *de jure* recognition of the Italian Empire in Abyssinia as our contribution towards an appeasement. I realise that foreign opinion will be influenced in its judgment of any such step as much by the moment and methods selected as by the moral and practical issues involved. The matter being still in the exploratory stage, I can give you no indication as to moment and methods; I should, however, be grateful for your opinion as to the effect any such step would have on (a) the American public, (b) the

Administration and Congress and (c) Anglo-American relations, particularly in view of what I understand to be the state of popular feeling towards Italy, the President's recent utterances regarding totalitarian States and disregard for treaty obligations, and the general attitude towards the doctrine of non-recognition of situations arising from acts of aggression in defiance of specific treaty engagements.

I should like in the first place your opinion on the matter: you should not, without further instructions, say anything to the United States Government.

But you might consider whether it would make matters better if, before indicating that we might proceed to *de jure* recognition, we were to take United States Government into our confidence and explain to them why we were compelled to this course. But you should bear in mind that His Majesty's Government could hardly be expected to adapt their policy on such an European issue to suit American opinion, and they might have to proceed with it even in face of United States expression of displeasure. In which case effect might be even worse than if we had made no communication to them beforehand.

No. 415

Letter from Mr. Chamberlain to Mr. Eden

[*R 249/7/22*]

Private and Confidential 10, DOWNING STREET, S.W.1, *January 7, 1938*

My dear Anthony,

I have just got your letter of the 1st January,[1] together with the two documents 'A' and 'B' which you enclosed with it. I have been giving very careful thought to your suggestions and have also discussed the situation this afternoon with Cadogan.[2]

If I may first take the alternative 'B'[3] which you prefer of the two, I am afraid that this does not commend itself to me. I do not think that our relations with the Italians are at present of a kind to enable us to count upon their responding as we perhaps should respond to such a generous gesture. Such a time may come, but, in the present suspicious mood which seems to prevail in Mussolini's mind, I should be afraid that he would regard our action as dictated by fear and that he would not abate one jot of his demands or give one tittle of what we wanted.

Moreover, it seems to me that we should expose ourselves to the most violent criticism here, at Geneva and perhaps also in the United States if we began by giving *de jure* recognition nor should we escape the suspicion that our generosity was only dictated by the desire to get a good bargain for ourselves. I therefore feel constrained to reject this alternative.

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[1] No. 410.

[2] See *The Diaries of Sir Alexander Cadogan, op. cit.*, pp. 32–3.

[3] See No. 410, note 3.

The word 'bargain', however, brings me back to alternative 'A'. I entirely share your feelings of dislike for an arrangement which could be represented as yielding on a matter of high moral principle in order to get some material advantage for ourselves. But surely this is not the way to approach the subject.

We are, as it seems to me, in much the same position here as in the proposed German conversations, only in that case it is Germans who object to a bargain about Colonies. You may remember that we agreed that this was not the way to put our objects. What we were aiming at was a general settlement to which every country must make its contribution and we felt that, provided there was reasonable ground for supposing that we might achieve a general settlement, we should have little difficulty in persuading our people that it was worth while paying the price for it.

So now with Italy. Here again the object is to get a general settlement of outstanding grievances, fears and suspicions in the Mediterranean countries. This is an object which interests not only ourselves, but France, Spain, countries of the Eastern Mediterranean and, indeed, all Europe, since the Mediterranean is at present a danger spot. Therefore, as it seems to me, our method of opening conversations with the Italians should be to say to them something like this.

> 'Our purpose in entering upon this talk is to see whether it is possible to relieve the existing tension in the Mediterranean region and to get back to pre-Abyssinian days when no one had any thoughts of disturbing Mediterranean peace. If this object is to be attained, everyone must make their contribution and we shall be prepared to make ours, provided we are satisfied that we can count upon a full response from others. We recognise that for you *de jure* recognition is an essential factor in a general settlement in the Mediterranean and, provided therefore that such a settlement can be brought within reach, we are prepared to do our part by securing you that *de jure* recognition.'

Of course, before we began such a conversation we must make sure that we are carrying the French with us, but I think there should be no difficulty about this since they must want peace in the Mediterranean as much as we do. The actual procedure which I contemplate, for getting this *de jure* recognition, must take account of the League and I would propose to tell the Italians, if we can get the French to agree, that when our conversations were finished we and the French would take steps to convene the League at the earliest possible moment when we should jointly invite them, in the interests of general peace, to make the necessary declaration that Abyssinia was no longer an independent state and that the several Members of the League were consequently free to give *de jure* recognition if they chose. Should the Italians reply that the League might not be willing to accept our joint advice, I would like, always with the previous assent of the French, to say to them that, in that case, we would act without the League, although I feel certain that in view of the bigness of the issue the League would take up no such attitude.

If I have carried you with me so far, I come to the points enumerated in memorandum 'A'[4] as those on which we might ask for concessions from the Italians. The important ones to my mind are Nos. 5, 6, 7 and 8, all of which are catalogued as possibly involving inconvenient counter-demands from Italy. As to Nos. 5 and 6, it is clear that these would follow naturally from the settlement of the object of the conversations. Confidence between us has got to be restored and it cannot be restored as long as Italy is making hostile preparations. I should myself be disposed to tell the Italians that we were now planning the fortification of Cyprus and great additions to our defensive forces in the Mediterranean generally, but that we should be very willing to abstain from this if Nos. 5 and 6 were complied with. No. 7 is a more difficult subject, especially as I do not know what the Italians have exactly in mind, but it seems to me possible that for the sake of the general understanding with us and the removal of their fears for the future of Abyssinia, they might be willing to come to terms with us, but no doubt there would be some hard bargaining. No. 8 ought not to give us any particular difficulty. I attach no importance to No. 9 and, as to propaganda, I feel quite sure that this would automatically cease the moment we started conversations.

Perhaps I need not take all the other points in detail at this stage, but I hope that I have said enough to make clear the general line and background which I have in mind for the discussions. The next question is where they should take place and between whom. I have some doubts as to whether Perth's position in Rome is solid enough to give him much chance of success, but, on the other hand, Cadogan thinks he is a good negotiator and if he had adequate instructions might be able to do what we want. I asked Cadogan whether he thought it would be possible to get Ciano to come here, but he evidently does not regard this as practical politics. In any case, I rather hope we shall not publish any formula before the conversations begin as to what is or is not to be included in them. There are so many daws about in Europe ready to peck at any bright objects on our sleeves.

There is one more idea which has occurred to me and which I put forward for your consideration. Seeing how susceptible Mussolini is to the personal aspect of affairs, would it be helpful if I were to address to him a second letter, a draft of which of course I would like you to see, telling him that now was the opportunity and urging him to make the most of it?

To sum up, I do not think we shall get any further with the Italians unless we can see *de jure* recognition at least in the middle distance and I do not think we can get *de jure* accepted by public opinion generally unless it is recognised as a factor in an attainable peaceful settlement in the Mediterranean.

I dislike very much disturbing you with this long letter, but as it suggests a variation from what you had suggested to me it is necessary for you to see it and I hope to have your views before you go to Geneva.

If I did write to Mussolini (which would not be before your return) I should propose to associate you with myself all through to avoid any notion that we were not working together.

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[4] *Ibid.*, note 1.

I hope you have escaped the snow and have got rid of your cold. The weather is not too bad here.

Yours ever,
N.C.

No. 416

Sir R. Lindsay (Washington) to Foreign Office (Received January 9, 10 a.m.)

No. 31 Telegraphic [*R 238/7/22*]

WASHINGTON, *January 8, 1938, 6.26 p.m.*

Your telegram No. 21.[1]

I think it hardly necessary to worry much about effect in America of *de jure* recognition. No doubt in press and in Congress we shall be to some extent jeered at for weakness and taunted for making friends with unrighteousness and there will be genuine disappointment among some high-minded people but I hardly expect this would be very important. It is more likely that our action would be regarded as an effort to pay the necessary price of peace. The whole issue has rather faded away into the background and the recent proposals of the Netherlands Government[2] have prepared the ground for a collapse of organised League opposition to recognition.

I do not think attitude of Administration would materially differ from above but please see my telegram No. 26.[3] It would be all in line with proposals made therein that you should instruct me to sound the United States Government confidentially as to how they would view what you contemplate especially in view of their doctrine of non-recognition. I am all in favour of 'taking them into our confidence' as suggested in last paragraph of your telegram under reference.[4]

[1] No. 414.

[2] See No. 404, note 8.

[3] No. 413.

[4] Foreign Office telegram No. 29 of January 12 to Sir R. Lindsay said that the whole matter 'is likely to be discussed between the Secretary of State and Monsieur Delbos next week at Geneva and we are submitting to the Secretary of State the suggestion that he should authorize you to inform the State Department confidentially of the progress of that discussion'.

No. 417

Mr. Palairet (Vienna) to Foreign Office (Received January 8, 10 p.m.)

No. 2 Telegraphic [*R 232/117/67*]

VIENNA, *January 8, 1938, 8.20 p.m.*

I spoke to State Secretary of Foreign Affairs this evening in the sense of your telegram No. 1.[1] He assured me that Italy was not pressing Austria to leave the League of Nations and that Austria did not intend to change her attitude towards it.[2] In statement which it was proposed to draw up at Budapest it would however be pointed out that withdrawal of Germany and Italy from League of Nations had weakened the latter's character of 'universality' and that a reform was necessary in order to restore its functions as peace maker unbiassed [*sic*] by one-sided theories.

State Secretary said that Austria regarded League as a bridge to the West.

State Secretary added that Austria would not join anti-Communist pact but Budapest statement would contain a declaration of Austrian opposition to Bolshevism, of her satisfaction at seeing from the pact that her neighbours were also opposed to it and of her determination to continue measures to prevent its dissemination in Austria.

A third point and one on which Italy was very insistent was question of recognition of General Franco. Statement would say that Austrian Government were satisfied with their present system of *de facto* recognition and would pursue it with a view to eventual *de jure* recognition.

Austrian Government also hoped to include a declaration of Italy's interest in the independence of Austria and of her intention to continue economic co-operation.

He gave me above information from a draft statement in front of him but explained it had not yet been finally approved by Italian and Hungarian Governments. He promised to let me know if changes were made.

In reply to my question he said Austria had no apprehensions as to an Italian-German understanding to the disadvantage of Austria.

Repeated to Budapest by bag.

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[1] This telegram of January 7 referred to a report that Italy would exert strong pressure on Austria and Hungary to leave the League of Nations at the forthcoming meeting of the Rome Protocol powers (Germany, Austria, and Hungary) due to begin at Budapest on January 10. Mr. Palairet was instructed to express the hope, if the opportunity arose, 'that nothing will result from this meeting which will in any way impair Austria's attitude to and collaboration with the League'. Similar instructions were sent to Sir G. Knox in Budapest.

[2] Cf. *Ciano's Diary*, *op. cit.*, p. 60.

No. 418

Letter from Mr. Eden to Mr. Chamberlain

[*R 306/7/22*]

PARC PALACE HOTEL, GRASSE, *January 9, 1938*

My dear Neville,

I have your further letter[1] about the vexed question of the recognition of the Italian conquest of Abyssinia, and I think that I clearly understand your point of view about 'B'. I certainly have no closed mind on these two alternative programmes. At the moment I cannot refer to the details of either because I have no documents, but I will of course check your letter through carefully with 'A' as soon as I reach Geneva.

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[1] No. 415.

I have arranged to meet Delbos in Geneva on Sunday[2] morning. We shall thus arrive a clear day before our colleagues. In view of your letter I will go carefully over the whole Abyssinian problem with him, and will base myself on scheme 'A' rather than 'B'. It may be that the French have themselves ideas about their desiderata.

I feel two main difficulties: the first that whereas what we give, i.e. recognition, cannot be withdrawn, it is difficult to devise anything for which the Italians could be asked which could not be cancelled by subsequent action, as they destroyed the effect of our agreement of last January[3] by sending 50,000 men to Spain in batches from the very next week.[4] Moreover there seems to be a certain difference between Italian and German positions in that an agreement with the latter might have a chance of a reasonable life, especially if Hitler's own position were engaged, whereas Mussolini is, I fear, the complete gangster and his pledged word means nothing. Moreover we mean to get something tangible for any colonial concession.

But all this would not alone deter me. What worries me much more is the effect that recognition might have on our own moral position. You will recall in this connexion Miles Lampson's telegrams from Egypt.[5] It would be most unfortunate to take any action at this moment which gave Mussolini the appearance of a diplomatic triumph. There is no doubt that such a triumph is just what he needs to rally his disgruntled fellow-countrymen and, may be, to reconcile them to a further expedition to Spain. At the moment the Abyssinian wine of victory is beginning to taste sour on the Italian palate.

I agree, therefore, that we can take no step except in accord with France, and I would add that it is scarcely less important to keep U.S. informed. They have accorded no recognition yet and we do not want to give offence in that quarter. Indeed it seems to me that the big issues of this year are Anglo-American co-operation, the chances of effectively asserting white race authority in the Far East and relations with Germany. To all this Mussolini is really secondary and because he makes more noise we must not, to quieten him, take any step which will create discord among friends.

But with all this I feel sure that you will agree.

I will, therefore, spread myself on the subject with Delbos. You may be sure that I will advance all the arguments for scheme 'A'. This I will do on Sunday, after which I will report French reactions to you and we can decide on the next step before I leave Geneva. There will be ample time, for I am sure to be there a week. Moreover the Rumanian action is certain to have set the French thinking over the whole problem.[6] I should be opposed to any preliminary soundings in Paris; they would result in leakages, which would only be a nuisance to all concerned.

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[2] i.e. January 16. [3] See Volume XVII, No. 530. [4] See Volume XVIII, No. 2.

[5] See *ibid.*, Nos. 451 and 529, and No. 350 above.

[6] In telegram No. 5 of January 6 Lord Perth had reported that according to a *communiqué* issued that evening the Roumanian Government had officially announced their intention of appointing a Roumanian Minister at Rome accredited to the King of Italy and Emperor of Ethiopia.

Yours ever,
ANTHONY EDEN

No. 419

Sir E. Phipps (Paris) to Foreign Office (Received January 11)

No. 39 [*C 157/85/18*]

Confidential PARIS, *January 9, 1938*

Sir,

With reference to my telegram No. 302 Saving of May 31st last,[1] I have the honour to acquaint you that the Secretary-General of the Ministry for Foreign Affairs, who was lunching with me on the 4th instant, told me incidentally in the course of conversation, that he had induced M. Blum to allow a shorthand-typist to be present whilst giving to himself (M. Léger) an account of the famous Blum-Schacht conversation of May 28th.

2. M. Léger has, at my request, supplied me with a copy of this account, for the private and confidential information of His Majesty's Government, and I beg leave to enclose it, herein.[2]

3. M. Léger tells me that the French Government have made repeated but vain efforts to extract from the Germans some indication as to their views on the proposals made by M. Blum to Dr. Schacht.[3] A renewed, but fruitless, attempt in this sense was made quite recently by the French Ambassador in Berlin, but Baron von Neurath had shown clearly that no response would be forthcoming from the German Government.

4. My impression is that M. Léger may possibly advise the French Government to seize some suitable opportunity to inform the French public of the proposals made by M. Blum to Dr. Schacht, of the repeated attempts made by the French Government to extract some reply thereto from the German Government, and of the latter's persistent and ominous silence. The ground would thus be cut from under the feet of the Flandins and Co. who seem to think that it is sufficient for them to go to Berlin in order to lay the foundations for a complete and rapid Franco-German understanding.[4]

I have, etc.,
ERIC PHIPPS

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[1] Volume XVIII, No. 556.

[2] Not printed: it was identical with the account printed in *D.D.F.*, vol. v, No. 470.

[3] Cf. Volume XVIII, No. 597.

[4] There was general agreement with a minute of January 15 by Mr. Mallet that it would be 'tactless and foolish of the French Govt. to . . . accuse the Germans publicly of refusing to discuss a settlement on these lines at the moment when preparations are being made to resume discussions on the same lines' (see Nos. 409, and 439, 446 below). Sir E. Phipps was instructed in despatch No. 240 of February 7 to hint privately to M. Léger the undesirability of making the Blum-Schacht conversations public.

Referring to the despatch as a whole Mr. Strang minuted on January 17: 'This is interesting and important . . . [it] tends to confirm, what we always believed, that Dr. Schacht had very little, if any, real authority for the political proposals which he made to the French Ministers in the autumn of 1936 and to Sir F. Leith-Ross in February 1937 [see Volume XVIII, Nos. 148 and 210] . . . If the German Government should ever quote Dr. Schacht's offer as one which had been ignored, this despatch provides the answer.'

No. 420

Record by Mr. Strang of a conversation with Sir H. Wilson

[C 189/42/18]

FOREIGN OFFICE, *January 10, 1938*

Sir Horace Wilson told me today that when Sir N. Henderson visited the Prime Minister[1] on January 7th, on the eve of his return to Berlin, the Prime Minister told the Ambassador to deliver a message to Herr Hitler from himself to the following effect:

(1) His Majesty's Government intended to continue to do their best to reach an agreement with Signor Mussolini, but this did not mean that His Majesty's Government considered that their relations with Italy were more important than their relations with Germany, or that His Majesty's Government had abandoned the attempt to improve relations with Germany, of which Lord Halifax's visit was a sign;

(2) On the contrary, His Majesty's Government attached very great importance to the improvement of their relations with Germany, and they hoped in the not too distant future to have a communication to make to the German Government.[2]

Sir Horace Wilson had intended to inform Sir A. Cadogan of this this morning, but it had slipped his memory. He asked me to let Sir A. Cadogan know.[3]

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[1] Sir N. Henderson had been in London on leave.

[2] A marginal comment at this point by Mr. Eden dated January 17 read: 'We have yet much work to do. Indeed we have not begun on the main issue: colonies.' Cf. No. 409.

[3] This document was seen by Sir A. Cadogan on January 10.

No. 421

Sir R. Lindsay (Washington) to Foreign Office (Received January 12, 1.15 a.m.)

No. 37 Telegraphic [A 2127/64/45]

Most Immediate Very Secret WASHINGTON, *January 11, 1938, 6.5 p.m.*

At personal request of President I must beg that my immediately following telegrams marked immediate and most secret[1] may be treated with more than ordinary secrecy. They are to be regarded as message direct from him to Prime Minister and any divulgation [*sic*] of their purport or even existence would defeat President's object.

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[1] i.e. Nos. 422–24 below.

No. 422

Sir R. Lindsay (Washington) to Foreign Office
(Received January 12, 10.30 a.m.)

No. 38 Telegraphic [*A 2127/64/45*]

Immediate Most Secret WASHINGTON, *January 12, 1938*

My immediately preceding telegram.[1]

Under-Secretary of State[2] called on me this evening[3] by direction of President to convey a message which is to be communicated from Mr. Roosevelt directly to the Prime Minister.

President is deeply impressed by progressive deterioration of . . .[4] situation of the world. He particularly notices the manner in which minor States of Europe are falling away from ideals and loyalties to which they would prefer to adhere in order to gravitate into the orbit of non-democratic Governments. This tendency in his opinion is brought about by loss of influence of democratic States which he remarks must be restored at the earliest possible moment.

2. President is aware of efforts of H.M. Government now supported loyally as he believes by French Government to come to terms with German and Italian Governments. As he understands it, these two latter Powers have put forward certain requirements, but is inclined to think that they might possibly be bought off by concessions of an economic character. He quite sees that these latter cannot be given without certainty of a complete settlement which will hold out prospect of permanent security and President apprehends that this situation is likely to degenerate into a vicious circle from which no issue will be possible.

3. Mr. Van Zeeland's report[5] has been received here and appears to the U.S. Government to lack those elements of reality which alone could hold out the promise of successful accomplishment. State Department's criticism of it is that it holds out to democratic States insufficient assurance that they will secure their quid pro quo.

4. The President is therefore more than ever impressed by the danger of general conflagration with all its disastrous results which he fears may come to pass unless some supreme effort is made immediately. It is in this realisation that he proposed to take an initiative along certain lines which in state of public opinion in this country alone are open to him. His initiative is designed to work as an action by U.S. Government parallel to effort which H.M.

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[1] No. 421.

[2] Mr. Sumner Welles.

[3] i.e. January 11.

[4] The text was here uncertain.

[5] See No. 440 below.

Government in the United Kingdom are making with Central Powers and he believes that it will have the effect of lending that effort powerful support.

5. He is communicating his scheme to H.M. Government alone and he stipulates strongly that no other Government shall be informed of its nature or even that it exists. He will only proceed with his scheme if *not later than January 17th* he receives an assurance from you that it will meet with cordial approval and whole-hearted support of H.M. Government.

6. He planned on January 20th to warn confidentially the Governments of France, Germany and Italy of the general lines of his scheme and he will at that moment inform those Governments that he is making similar communication to H.M. Government.

7. On January 22nd he intends to announce his plan to Diplomatic Corps at Washington whom he will summon to the White House for this purpose. Plan as it will be announced is embodied in the terms of draft circular to Governments of the world, text of which follows in my immediately following telegram.[6]

[6] No. 423 below.

No. 423

Sir R. Lindsay (Washington) to Foreign Office (Received January 12, 9.30 a.m.)

No. 39 Telegraphic [*A 2127/64/45*]

Immediate Most Secret WASHINGTON, *January 12, 1938, 2 a.m.*[1]

My immediately preceding telegram.[2]

Following is President's draft. Begins:

At the end of the Great War common feeling of all peoples was that they had a right to a lasting peace. Countless men and women in all portions of the earth trusted that with the ending of that catastrophe there might be brought into being a new epoch of lasting peace between nations. They have seen that ideal year by year grow more remote. New generations have reached adult age since that time and find themselves in a world surcharged with anxiety where Governments are frantically rearming, where the whole people live in constant fear and where physical and economic security for the individual are lacking.[3]

2. Those standards of conduct between nations which were gradually and variously evolved over a period of many centuries and upon which modern

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[1] Although according to the times given on the filed copies telegram No. 39 was despatched after telegram No. 40 (No. 424 below), No. 39 was received earlier in the Foreign Office and the two telegrams have therefore been kept in the order originally intended.

[2] No. 422.

[3] On the copy of this telegram preserved in the Prime Minister's papers (PREM 1/259), Mr. Chamberlain underlined the preceding ten words and commented in the margin: 'Germans & Italians will laugh at this.'

civilisation is in great part founded would seem to be obsolescent. Moreover, due to recent scientific discoveries modern warfare has assumed an aspect more cruel than ever before and in the employment of these new inventions war is waged in such fashion as frequently to involve the destruction of undefended and civilian populations, slaughter of women and children, of aged and helpless, in utter contravention of those rules of warfare which earlier international instruments have laid down.

3. I have felt warranted in addressing to you this communication because of my considered belief that unless nations of the earth strive by concerted efforts to come rapidly to a renewed agreement upon those fundamental principles which experience of the past and best judgment of the present times demonstrate as being wise and salutary in governing relations between States of the world peace cannot be maintained. Furthermore, should war once more break out notwithstanding all efforts to avert it and no binding international accord be had prior thereto as to rules and measures which may mitigate its horror and especially to civil populations no man can say that another great war would not destroy all that was salvaged from the last.

4. Every man and woman in the world to-day suffers directly or indirectly from the crushing burden of ever-increasing armaments. Modern armaments have become so costly that they are consuming an ever-increasing share of national income. This necessarily reduces amount of national income available for meeting other essential requirements of national life and lowers the general standard of living. If therefore this dangerous development is not soon checked, it will inevitably lead to social and economic world disaster. An agreement upon the limitation and reduction of armaments is an imperative obligation on all Governments so that revenues now being expended for the destruction of human life may be diverted into channels where they can be employed to raise the standard of living and to (? promote) human happiness. This immediately pressing problem can, I believe, more readily be solved if nations agree upon the practical foundations for peace.

5. For these reasons I lay before you for your consideration the suggestion that all Governments at an early date strive to reach an unanimous agreement upon the following matters:

(1) Essential and fundamental principles which should be observed in international relations.

(2) Most effective methods for achieving limitation and reduction of armaments.

(3) Methods through which all peoples may obtain the right to have access upon equal and effective terms to raw materials and other elements necessary for their economic life.

(4) In the unhappy event of war, rights and obligations of Governments, both on land and at sea, except in so far as in the case of certain nations, they may be determined by existing international agreements; and laws and customs of warfare whose observance neutrals may be entitled to require.

6. Should it be found, as I hope it may be, that other Governments of the world are favourably disposed to this suggestion, and should they so desire,

U.S. Government will be prepared to request a number of other Governments to join it immediately in the formulation of tentative proposals in elaboration of the points above enunciated for subsequent submission to all nations for such disposal as they may in their wisdom determine.

7. I do not propose the holding of any general conference. I do suggest, should this recommendation be found acceptable, that U.S. Government consult a number of other Governments and that they employ their best efforts to reach agreement as to means of determining questions above set forth and that the results of their common findings be submitted at the earliest practicable date to all other nations for such action as they may be disposed to take.

8. I recognise that however essential it may be for the nations of the earth to reach a joint accord as to these norms of international conduct such agreement alone may not necessarily secure the maintenance of peace. It is possible that before the foundations of a lasting peace can be secured international adjustments of various kinds must be found through pacification of the universe, in order to remove such inequities as may exist by reason of nature of certain settlements reached at termination of the Great War. Traditional policy of freedom from political involvement which U.S. Governments has maintained and will maintain is well known. In the determination of political frontals [*sic*] U.S. Government can play no part. But it has seemed to me that every kind of adjustment if undertaken might perhaps be more readily arrived at if all nations come to a common agreement as to the principles upon which healthy international relationships should be based.

9. Should the suggestion which I have proposed be found acceptable by other Governments of the world I gladly pledge the co-operation of the U.S. Government in seeking attainment of objectives sought. The quest of peace under law and equity is imposed by deepest instincts of humanity; it can have no end save in success.[4]

[4] Very little of the documentation concerning President Roosevelt's peace plan is printed in *F.R.U.S.*: see Volume I, 1938, pp. 115–32. The President's draft is not published, but Mr. Chamberlain's reply (No. 430 below) is printed pp. 118–20. The full diplomatic exchange on this subject is printed here for the first time.

No. 424

Sir R. Lindsay (Washington) to Foreign Office (Received January 12, 10.30 a.m.)

No. 40 Telegraphic [*A 2127/64/45*]

Immediate *Most Secret* WASHINGTON, *January 12, 1938, 1.51 a.m.*

My immediately preceding telegram.[1]

It is not the President's intention to summon a world conference. His idea is that if he receives from the Governments of the world a sufficient measure of support for his plan he will then invite certain Governments to send representatives to Washington to negotiate on the points mentioned in his draft. These Governments are to be Sweden, the Netherlands, Belgium, Switzerland, Hungary, Yugoslavia, Turkey and three Latin American Governments to be selected by Governments of South America. This selective procedure is hinted at in paragraph 6 of his draft but particulars of Governments to be invited would not be disclosed until he actually sent out his invitations. It is his idea and hope that while these negotiations are proceeding here in Washington their initiation will give an impulse to negotiations of H.M. Government and of France with Germany and Italy and he will desire to keep H.M. Government in closest possible touch with all that passes here and to receive correspondingly full information as to course of negotiations which will be proceeding in Europe. In this way, he hopes it will be possible for U.S. Government to take valuable parallel action towards preservation of peace in the only way which at present is open to it and thus to contribute considerable pressure towards stopping general demoralisation of the present moment and of restoring influence of democratic government for the good of the world.

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[1] No. 423.

2. I now turn to explanation which Under-Secretary of State gives me of four specific points mentioned in draft. Of these he emphasises that Nos. (2) and (3) are the very core of the whole scheme. As to No. (2)—disarmament—President does not necessarily mean to embark on a whole disarmament conference and choice of words used in draft is intended to enable him to push this matter just as far as may be shown to be practicable. The words used are also specifically intended to relieve H.M. Government from an embarrassment which they might feel at this moment in face of a proposal to discuss disarmament. At the same time he is aware that in Lord Halifax's conversation Herr Hitler showed some willingness to discard some of the more offensive methods of conducting war,[2] and more than once Signor Mussolini has invited proposals for disarmament. From these indications he hopes that some progress in this direction might be possible.

3. Economic discussion is of no less importance. Under-Secretary of State emphasised that in the President's opinion progress in this field must proceed parallel with progress in disarmament. It was only through these two fields together that the public of the United States could be brought to support its Government in efforts to improve conditions, or even to allow it to make those efforts. President believes opinion has moved very considerably in the last few weeks in this country and that it is now prepared to take a keen and genuine interest in world conditions. It is his belief that if useful progress could be made in disarmament and in international economic conditions, and if it then became evident that a contribution from the United States in the economic field were necessary, that contribution *would* be forthcoming in abundant measure.

4. I referred to the fourth point, and said that H.M. Government had

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[2] See No. 336.

always been very uneasy about questions of belligerent rights at sea in time of war. Under-Secretary of State repeated that less importance was to be attached to points (1) and (4) than to points (2) and (3) and he hoped that H.M. Government would not feel unduly anxious about this. He pointed out that conceptions of neutrality are now in a chaotic condition with United States holding one view of their own and other Governments different views. There was a clear reference to League of Nations in this paragraph. It might be assumed in any general settlement to be arrived at a re-writing of Covenant would have to be contemplated which would clarify matters. I am sorry that conversation passed away to other topics and I did not press Under-Secretary of State on this point as much as I now wish I had.

5. Again and again throughout Under-Secretary of State emphasised President's insistence on the utmost secrecy and he desires that matter should be considered only by Prime Minister. If, as it seems to me likely, the present proposal is one which will require submission to the Cabinet may I at any rate when assuring Under-Secretary of State that secrecy will be carefully observed say that scheme has only been communicated to a small committee of the Cabinet?

No. 425

Sir. R. Lindsay (Washington) to Foreign Office (Received January 13, 9.30 a.m.)

No. 42 Telegraphic [*A* 2127/64/45]

Most Secret WASHINGTON, *January 12, 1938, 3.20 p.m.*

My telegrams Nos. 38,[1] 39[2] and 40.[3]

After thinking over the President's plan I venture to offer the following observations. It is a genuine effort to relax the tension of the world, to stop the prevalent deterioration and to restore influence of democracies.

There is an evident desire to spare any embarrassments to His Majesty's Government and indeed on the other hand to support tendencies of policies they have been pursuing.

It is a purely American effort and whole basis of it is contained in American draft. Whether or not it will succeed in its purpose may be an open question but its failure will not reflect discredit on His Majesty's Government except in so far as that failure might be due to lack of support from His Majesty's Government.

President certainly believes that combination of disarmament with relaxation of economic pressure will range opinion of United States squarely behind his plan and I agree with this. Possibly my own view of the world situation is one-sided but I have long held that the best chance of averting disaster is to range not only United States Administration but also United States public opinion behind objectives of democratic Governments. We definitely have no anxiety as to Administration and this present scheme must have profound effect on public also.

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[1] No. 422.

[2] No. 423.

[3] No. 424.

It is clear that if the scheme is connected either as . . .[4] as plan and if it then breaks down owing to reluctance of one or more Powers to support it, those Powers will be held to blame by the Government and by public of America. Equally will His Majesty's Government be held to blame by United States Government if they kill the scheme before it is propounded by withholding their support and this would annul all progress we have made in last two years.

I am sure that main questions will . . .[4] to your mind but the time is very short. President clearly sets great store by element of surprise which is meant to have the utmost and most beneficial effect on his own public. You will not have time to formulate constructive suggestions. Destructive criticisms, reservations or attempts to define issues more clearly can only accomplish very little in favour of anything you may wish to put forward while they will create a disproportionate bad impression in thoughts of Administration. I therefore urge respectfully but very earnestly that His Majesty's Government give reply to this invaluable initiative with a very quick and very cordial acceptance.

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[4] The text was here uncertain.

No. 426

Foreign Office to Sir R. Lindsay (Washington)

No. 32 Telegraphic [*R 362/7/22*]

FOREIGN OFFICE, *January 12, 1938, 6 p.m.*

Your telegram No. 31.[1]

A Reuter message from Washington the text of which is doubtless available to you indicates that negotiations for commercial treaty between Italy and the United States of America have been suspended owing to the refusal of the State Department to comply with the Italian request that the new treaty should be signed on the Italian side in the name of the King of Italy Emperor of Ethiopia. A simultaneous British United Press message from Rome states that negotiations for the new treaty have not yet collapsed and maintains that the United States Government are not prepared to agree to the desired title until other Great Powers have taken the initiative.

I should be glad to know what truth there is in the foregoing and whether it alters in any respect the views expressed in your telegram under reference.

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[1] No. 416.

No. 427

Sir R. Lindsay (Washington) to Foreign Office (Received January 13, 9.30 a.m.)

No. 44 Telegraphic [*A 2127/64/45*]

Immediate Most Secret WASHINGTON, *January 12, 1938, 6.33 p.m.*

My telegram No. 42.[1]

I saw the Under Secretary of State today and asked him for President's views regarding position of Japan in his scheme. He answered that it was felt very strongly by the President and State Department that if plan gets under way and German and Italian Governments enter on serious negotiations they will by force of circumstances have to withdraw support to such an extent that Japanese Government will have to make peace within the terms of the Nine-Power Treaty.

As to belligerent rights he repeated that he did not think this need cause you any anxiety and that points 1 and 4 of the United States draft are to be regarded as more technical than political and of less importance than points 2 and 3. United States Government had at certain moments in the past held traditional British view of this question. At present they had absolutely no preconceived views on it but possibly some settlement of this question might result from any effort to draw general question of neutrality out of its present chaotic state.

He was very anxious to receive your answer by the morning of January 17th. He said that the President was perfectly ready to consider any suggestions you might wish to make but that he could not possibly change the time table that has been stated and that therefore there is very little time available to us.

[1] No. 425.

No. 428

Minute by Sir A. Cadogan for Mr. Chamberlain

[*A 2127/64/45*]

FOREIGN OFFICE, *January 12, 1938*

The 4 annexed very secret telegrams from Washington (Nos. 37–40)[1] have only just (5.15 p.m.) been decyphered and reached me.

I cannot therefore submit any considered view of them yet.

The President certainly has courage; which is not grounded, I hope, solely on ignorance of the difficulties which beset us. His readiness to enter the arena is obviously a fact of the first importance, and I should say that we must not discourage him, although the prospects of the success of his scheme are problematical and the risks, maybe, great. But it is his scheme, and if he will take the responsibility for it, I should have thought we ought to be favourable. It involves risks for us—cf. his point about access to raw materials and the hint about reversal of settlements reached at the end of the war (on telegram No. 39). But if we can keep in touch with the President we may be able to mitigate his worst ideas on these points. And if we do feel that we should make, in the interests of peace, certain concessions which are difficult to get accepted by our public, it *may* perhaps be easier if we can attribute them to American prompting.

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[1] Nos. 421–24. In his diary Sir A. Cadogan remarked: 'Sent telegrams down to P.M. with a hurried minute. This is not the way to transact such business!' (*The Diaries of Sir Alexander Cadogan*, p. 36.)

I understand from a hasty perusal that his idea is that, if Governments accept his general plan, he should summon as it were a drafting committee (see telegram No. 40) on which we should not be actually represented, the result of whose labours he would then present to all other Governments. There would not be a conference, apparently: we should all have concrete written proposals put before us.

The President was, as you know, last year toying with the idea of a conference.[2] The preliminary objection generally raised was that it was dangerous, or at least useless, to go into a conference that had not been carefully prepared beforehand—almost to the extent of reaching agreed conclusions. Personally, I am not sure that I am convinced of the force of this argument. Prolonged and detailed preparation has its drawbacks: each side digs in behind its own arguments and the Conference meets with the forces already prepared for battle.[3] The Washington Conference of 1921/22 succeeded by different methods: the Naval Treaty was sprung upon us. I don't minimise the risks involved in having far-reaching proposals sprung at us, but it seems to me that if the President wants to advance along this line, they may be worth taking.

No one but myself has copies of these telegrams. If you wish them sent out to the Secretary of State and would kindly send me a telephone message to that effect tomorrow morning, I would arrange for a special messenger to take them out at once.[4]

A. CADOGAN

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[2] Cf. Volume XVIII, Nos. 202, 268, and Enclosure in No. 357. See also Sumner Welles, *Seven Major Decisions* (London, 1951), pp. 32–39, and cf. No. 222 above.

[3] Sir A. Cadogan added a marginal comment at this point: 'Preparations for the Disarmament conference lasted for 5 or 6 years and did not advance matters.'

[4] On the morning of January 13, according to Sir A. Cadogan's account (*ibid.*, p. 36), he discussed the telegrams with Sir Horace Wilson, who was 'very anti-Roosevelt'. Mr. Chamberlain returned to London at about 6 p.m. and conferred with the other two. 'He hates R's idea.' He approved a telegram which Cadogan had drafted 'appreciating R's initiative' but would not agree to an addition stating that if the President did not feel able to postpone his initiative the British Government would 'go with him'. The telegram (No. 430 below) was despatched later that evening, together with a further telegram (No. 431 below) 'explaining our fears and objections'.

No. 429

Extract from a letter from Sir A. Cadogan to Mr. Eden[1]

[*R 306/7/22*]

FOREIGN OFFICE, *January 12, 1938*

As regards Italian conversations, I have of course seen your correspondence with the Prime Minister,[2] which has also been referred to the Department, whose detailed observations are going to you.

The Department have, in addition, expressed to me their views on the following lines:[3]

It must be remembered that the French are not without prejudice where the prospect of Anglo-Italian conversations is concerned. If given the chance to prevent their initiation they will take it, because they apprehend that an Anglo-Italian *détente* will lessen the necessity for Anglo-French friendship. You must therefore expect to find M. Delbos ready to accentuate rather than minimise any difficulties which suggest themselves.

As regards a diplomatic triumph for Mussolini, it looks as if one by one the members of the League will afford him cause for a succession of triumphs. Roumania appears to have pledged herself to send a Minister to Rome with acceptable credentials.[4] The Oslo Powers (including, from the League point of view, the important Scandinavian countries) are restive.[5] There are signs that Belgium will go a long way to have an Ambassador at the Quirinal. If we do not act quickly on this *de jure* issue we may gradually find ourselves with France, Russia and a few minor satellites the only ones to have withheld recognition. The longer we leave it, the more will be the defections from the League front on this question, the more isolated we shall become, and the more foolish we shall look. Moreover it must probably be generally accepted that the grant of recognition sooner or later is an ultimate necessity from the point of view of our own interests, and for that reason alone we shall sooner or later have to risk Mussolini's triumph—though that risk is probably not a very serious one. Anyhow, if there is a triumph we can reduce its spectacular value very considerably either by insisting on being paid for recognition (Plan A) or else by taking independent action of our own on the lines suggested in Plan B.

Meanwhile, we must remember that a definite advance has been made to us through Crolla and Mussolini is awaiting our reply. We must take it that if we don't give Mussolini an answer which will satisfy him as a basis on which to initiate conversations, the phase opened by the Prime Minister's letter of last July will be definitely closed and Mussolini will be finally convinced that his suspicions of our bona fides are correct, that we really do not want to get together with him but are planning revenge. The practical result is likely to be an accentuation of his nuisance value towards us in all its forms (propaganda, press campaign, subversive activities in Egypt and in the Arab world), the strengthening of the Berlin-Rome axis (possibly to the extent of a military alliance between Italy and Germany), an increase of tension in the Mediterranean, and joy in the German and Japanese camps.

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[1] Presumably addressed to Mr. Eden at Grasse.

[2] Nos. 410–415, and 418.

[3] A note of January 13 by Mr. Ingram referred to this document as 'embodying the minutes of the department'.

[4] See No. 418, note 6.

[5] Cf. No. 404, note 8.

These possibilities, if realised, are in their turn likely to produce counter-irritation here and demands for reprisals or at least preventive measures. To take the least dangerous of these two, preventive measures—this will probably entail an increase in our expenditure on Egyptian and Mediterranean defence generally, including probably a large capital outlay on organising Cyprus and, what is probably worse, a diversion of our energies and resources to the Mediterranean from home requirements. In fact, instead of having to think in terms of a neutral Italy (as Sir T. Inskip is still doing) we shall perforce have to revise all our plans on the basis of a probably hostile Italy. For, if there be any truth in Miles Lampson's contention that we have either to make friends with Italy or fight her,[6] we shall have definitely set our feet on the path that may ultimately lead to war with Italy. Finally, the situation created by such a hostile Italy in friendly relations with Japan and astride our Mediterranean communications will inevitably react on our freedom of action in the Far East.

This is not to say for a moment that, if we grant *de jure* recognition and any subsequent conversations with Italy have a successful outcome, that our suspicions of Mussolini will be allayed, [that] we shall be able to trust him implicitly, that he will see eye to eye with us on all international issues, or that we shall be able immediately to reduce our defensive measures in the Mediterranean. Italy won't of course suddenly change over night into an ally—the most we can expect is that instead of being a definite enemy she will once more become a neutral, but that is in itself quite a lot nowadays.

As to the U.S.A., Lindsay does not seem over-apprehensive as to the effect recognition on our part would have in America.[7] In Europe I am not so sure that, setting aside the moral issue, failure to recognise would not have a worse practical effect than recognition, in as much as failure to recognise would tend to solidify the Berlin-Rome axis and increase the manifestations of its material strength and its capacity to flout and insult us with impunity. Such manifestations are more likely to attract than to repel those who may now be wavering. Moreover, is not Germany going to ask us a higher price for her friendship so long as we have a frankly hostile Italy on our flank rather than a mere neutral Italy?

Finally, as regards the political aspect at home, while no doubt there would be opposition to recognition from the League of Nations Union, would the Government have any difficulty with the House of Commons and the country as a whole if it were represented as a contribution and sacrifice made in the interests of a general relief of European and Mediterranean tension; for such I believe it to be?

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[6] See No. 350.

[7] See No. 416.

I endorse the above views and hope that you will take them into account. I am bound to say also that from the discussions I have had with the Prime Minister I am convinced that he is extremely anxious to reach an agreement, if that be at all possible, with Mussolini, and that he attaches great importance to it.

I would add that the alternative procedure which you will find outlined in the paper which the Department are sending to you, which contemplates action through the Council, has had Will Malkin's approval.[8]

[8] There are some quotations from this letter in *The Diaries of Sir Alexander Cadogan*, pp. 34–5.

No. 430

Foreign Office to Sir R. Lindsay (Washington)

No. 35 Telegraphic [*A 2127/64/45*]

Immediate Most Secret FOREIGN OFFICE, *January 13, 1938, 10.15 p.m.*

Following from the Prime Minister.

Please convey following message to the President.

I appreciate most highly the mark of confidence which the President has shown in consulting me in regard to his plan. I am also greatly encouraged to find that world affairs have been engaging his attention so directly and that he is willing to take so courageous an initiative. The objects which he has in view correspond, of course, to the aims and hopes of His Majesty's Government, and I am most grateful to him for his remark that his initiative is designed to work as an action by United States Government parallel to effort which His Majesty's Government in the United Kingdom are making with Central Powers.

He has been impelled to make this proposal by consideration of what he has described as the progressive deterioration of international relations and the consequent danger of general conflagration. No-one who has followed closely recent developments can fail to be impressed with the great dangers that beset us. On the other hand, it may be permissible to look forward to some improvement in the immediate future. From my correspondence with him last summer[1] and from information which has since reached him the President will be aware of the efforts which His Majesty's Government, for their part, are making to bring about a measure of appeasement. He will be interested to know that recently His Majesty's Government received an enquiry from the Italian Government[2] as to when conversations could be reopened with His Majesty's Government and that in the last few days I have agreed with the Secretary of State that the latter should, on January 16th,[3] discuss with French Minister for Foreign Affairs in Geneva the possibility of making a fresh approach towards a reconciliation with Italy that might bring appeasement to the Mediterranean region at least. His Majesty's Government have realised that if such appeasement is to be achieved it will not be upon the basis of bargaining in which each side seeks to weigh up what it will get against what it will be asked to give. Our plan (both as regards Germany and Italy) rests upon the view that we and they are in a position each to make a contribution towards an objective we both desire to obtain. There would be no need to discuss whether our contribution were greater or less than theirs. What is needed is to ensure that the contribution of each will, taken with the contribution of the other, make up an agreement which will bring appeasement. Thus, in the case of Italy, His Majesty's Government would be prepared, for their part, if possible with the authority of the League of Nations, to recognise *de jure* the Italian conquest of Abyssinia (by which Signor Mussolini sets great store) and to take certain other action if they found that the Italian Government, on their side, were ready to give evidence of their desire to contribute to the restoration of confidence and friendly relations. I am hopeful that the French Government may be willing to join us in this effort.

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[1] Cf. Volume XVIII, No. 268, and Nos. 25 and 70 above.

[2] See No. 402.

[3] See No 418.

In another direction, and adopting the same basis, viz., that all parties can and should make their contribution. His Majesty's Government are about to embark on a study of the situation revealed by Lord Halifax's visit to Berlin, with a view to seeing in what measure German aspirations might be satisfied so that they too could make their contribution to a general appeasement, and although this is a very difficult and complicated subject I trust that before long we may be able to begin our conversations with Germany.

I mention these facts so that the President may consider—what has occurred to me—whether there is not a risk of his proposal cutting across our efforts here. It might be that the Italian and German Governments, of whom we should have to ask a contribution that they will be none too ready to give, might excuse a refusal to continue negotiations on the ground that the subjects under discussion—which for the most part will be specific and concrete in character—are all merged in the wider problems which the President contemplates tackling as a whole. It would, I feel, be regrettable if what I am sure the President intends to be, as he himself describes it, action taken by him parallel to the efforts which we are making, were found to be capable of being used to block progress in directions which over recent months we have laboriously worked out, and for which we feel the stage has at last been set in not too unfavourable a manner.

This leads me to ask the President to consider whether it would not be wiser to consider holding his hand for a short while to see what progress we can make in beginning to tackle some of the problems piecemeal. This would not, of course, prejudice the larger effort that the President might be willing to make later.

I venture to submit these considerations to the President, not because I differ in any way from his objective, still less because I fail to appreciate the motives which lead him to put forward his proposals, but solely in order to obtain the benefit of his opinion as to the timeliness of his proposed action. My fear is that, if the President's suggestions are put forward at the present time, Germany and Italy may feel constrained to take advantage of them, both to delay the consideration of specific points which must be settled if appeasement is to be achieved, and to put forward demands over and above what they would put forward to us if we were in direct negotiation with them.

I hold myself in readiness to consider immediately any observations which the President may make on the foregoing, and I shall do my utmost to give them consideration and to reply to him without delay.[4]

[4] Mr. Chamberlain's message to President Roosevelt is also printed in *F.R.U.S.*, 1938, vol. I, pp. 118–20. An account of the deliberations leading up to the sending of this telegram is given in Mr. Chamberlain's diary: see Appendix I to this Volume. See also *The Diaries of Sir Alexander Cadogan*, pp. 36–7, and No. 435 below.

No. 431

Foreign Office to Sir R. Lindsay (Washington)

No. 36[1] *Telegraphic* [*A 2127/64/45*]

Immediate Most Secret FOREIGN OFFICE, *January 13, 1938, 10.15 p.m.*

Following from Prime Minister.

My telegram No. 35.[2]

I do hope that the President will not find my message disappointing.

He was of course not aware of our latest plans here for resuming our effort at conciliation, and the information I have now given him may show him that this factor ought to be taken into consideration.

I am fully impressed with the desirability of keeping in step with the President whenever possible, but it does seem to me that his plan, drawn up without full knowledge of all that is going on, risks upsetting all that we were trying to do here.[3]

There are certain phrases in President's draft circular that cause me grave misgivings. For example 'Traditional policy of freedom from political involvement which United States Government have maintained and will maintain is well-known'. Such a phrase cannot fail to be encouraging to Japan.

Again 'removing such inequities as may exist by reason of nature of certain settlements reached at termination of great war' would almost certainly encourage Germany to pitch her colonial claims very high indeed.

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[1] This copy of telegram No. 36 has been taken from the Prime Minister's papers, PREM 1/259, as the Foreign Office copy is badly damaged. There are, however, some textual differences: see notes 3 and 4 below. It is not clear which of these texts was actually received in Washington, but it seems likely that the copy preserved in PREM represents the final draft.

[2] No. 430.

[3] In the Foreign Office copy of the telegram the following paragraph appears at this point: 'I have always had in mind that if we could appr[oach] solution of our problems we might probably wish to [?ask the] President to help us clinch agreement, but as I wro[?te] there is a lot of preliminary spade work which we pe[?rhaps can] best do here.'

These are only some of my preliminary reflections which have occurred to me in the short time which I have had to consider the President's plans. They are of course solely for your own information and guidance.[4]

[4] The final two paragraphs do not appear in the Foreign Office text.

No. 432

The Earl of Perth (Rome) to Foreign Office (Received January 15)

No. 9 Saving: Telegraphic [*R 408/117/67*]

ROME, *January 13, 1938*

The press takes note with the greatest satisfaction of the 'immediate and concrete' results of the Budapest Conference,[1] which falsify the imprudent anticipations of certain French and British newspapers, headed by the *Temps* and *The Times*. These results are hailed as not only another victory of Fascist foreign policy and diplomatic methods but as a solemn confirmation of Italian prestige in the Danubian zone and of the ever wider acceptance of Italian policy. Several writers cannot resist the temptation to contrast the results of Count Ciano's mission to Budapest with those of another recent journey,[2] which, as the *Stampa* says, had to be looked for with the microscope. The points of the Budapest Declaration are regarded as not mere theoretical enunciations but as clear and unequivocal decisions which will have immediate international repercussions. The three signatories of the Rome Protocols have not only confirmed the vitality of their association but have extended their solidarity from the Danubian zone to a wider European sphere. Gayda attributes the results of the Budapest Conference to three factors: (1) Count Ciano's persuasive diplomatic and political reasoning;[3] (2) the wide and realistic spirit in which Austria and Hungary have accepted the clear Italian policy, associating themselves with it not passively but with concrete contributions; (3) the realisation of the usefulness of the joint policy of the Rome Protocol Powers.

The greatest importance is attached to the 'spiritual adherence' of Austria and Hungary to the Rome-Berlin axis. Dr. Gayda affirms that the axis is 'alive and intangible' and that its possibilities and functions are being widened.

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[1] See No. 417, note 1. The text of the closing *communiqué* of the Conference issued on January 13 was transmitted to the Foreign Office in Budapest telegram No. 2 Saving of that date (R 425/117/67). Apart from a general affirmation by the three Powers, Austria, Italy, and Hungary, of their desire for close cooperation, the Austrian and Hungarian representatives had also 'given expression to their sympathy with the cordial co-operation between the two friendly Great Powers, Italy and Germany' and had reaffirmed their hostility to communism and sympathy with the Anti-Comintern Pact. Austria and Hungary also agreed to formally recognize General Franco's government in Spain, and reserved their right, in view of the Italian withdrawal, to 're-examine their position with relation to the League'.

[2] A note on the filed copy suggested that this referred to M. Delbos' tour of Eastern Europe in December, 1937: cf. No. 398.

[3] An exclamation mark appeared in the margin of the filed copy at this point.

The European significance of the point dealing with the League of Nations is also underlined. One paper describes it as an ultimatum. Dr. Gayda says that, if Austria and Hungary have not left the League, they must now be placed among those States which look upon Geneva with diffidence. The Budapest declaration constituted a new denunciation of the dangers and lack of equilibrium inherent in the 'reduced edition' of the League of Nations: it affected the prestige of the League in its most vital aspect, that of confidence. Signor Signoretti, the editor of the *Stampa*, anticipates that the problem of the League will shortly come to a head. Geneva had been, was, and would be a more or less masked coalition in favour of the more endowed and privileged States. For those States which were reluctant to be vassal or client States the League would be a burden and not a support. The League was not an organism susceptible of reform. Signor Caiani points out in the *Popolo d'Italia* that 'the gentlemen of Geneva have been placed with their back against the wall without any possibility of their getting away under the pretext of reform—a word, a lie, a project and a hope which has not even had the honour of being mentioned in the Budapest document'.

In regard to the point dealing with the anti-Communist Pact, Dr. Gayda writes that Austria and Hungary have not confined themselves to accepting in theory the principle of the struggle against Communism but have pledged themselves to intensify this struggle on lines similar to those laid down in the three-Power Pact.

Speaking of the recognition of General Franco, Dr. Gayda says that European civilization should pay a high tribute to Austria and Hungary for their clear and firm decision. These two countries had once more proved that they could assume precise responsibilities, detaching themselves from the equivocations and more or less complacent but always dangerous tolerations of certain European Governments.

Press comments on the other points of the Declaration contain nothing of political interest. Dr. Gayda repeats that, with regard to the relations between Hungary and Roumania, Italy does not intend to intervene on either side by exercising pressure or giving uncalled-for advice; still less she thinks of deviating from her traditional sympathy for the Hungarian National cause.

In conclusion, it is re-affirmed that the Rome Protocols remain 'the real central nucleus of the political and economic re-organisation of the Danubian sector.'

Repeated to Vienna No. 1 Saving and to Budapest No. 1 Saving of January 13th.

No. 433

Letter[1] *from Mr. Chamberlain to Mr. Eden*

[PREM 1/276]

January 13, 1938

My dear Anthony,

In your letter of the 9th January[2] you say that on talking to Delbos at Geneva you 'will advance all the arguments for Scheme A'. This suggests to my mind that there may be some misunderstanding due, no doubt, to your not having before you the Foreign Office memoranda A and B. My idea is *not* to proceed according to Scheme A. As I said in my letter, I share your view that we should not proceed upon the basis of bargaining in which each side seeks to weigh up what it will get against what it will be asked to give.

My plan (both as regards Italy now and Germany[3] as soon as may be) rests upon the view that we and they are in a position each to make a contribution towards an objective we both desire to obtain. There is no need to discuss whether our contribution is greater or less than theirs. What is needed is to ensure that the contribution of each will, taken with the contribution of the other, make up an agreement which will bring appeasement in the Mediterranean (and *inter alia* cover what is now for us a very exposed flank). I adhere to the view that we should strive for this and strive hard for it. Moreover, having regard to the way things are developing elsewhere we ought to get ahead as soon as we can. (I made it plain to Nevile Henderson when I saw him the other day[4] that this did not mean—and need not be taken by the Germans to mean—that we were overlooking them. On the contrary, my plan is, as you know, to proceed both with Italy and Germany concurrently. I see nothing whatever that is inconsistent in this.)

There is one other passage in your letter which seems to indicate a misunderstanding. You say you are worried about our moral position if we give Mussolini a triumph. This was my objection to Plan B and to some extent to Plan A also. The one way in which we can maintain our moral position is to make recognition part of a general scheme for appeasement in the Mediterranean and the Red Sea.[5]

From what Phipps says I rather fear that you will find Delbos difficult about making any further effort to open conversations, but I hope you will take a very firm line with him and I shall look forward to hearing the result of your conversation.[6]

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[1] This letter, of which no copy has been found in the F.O. archives, was drafted by Sir H. Wilson. In a note of January 13 attached to the draft he wrote: 'P.M. I think some further letter to the S. of S. is necessary before he opens the talk with Delbos. He seems to have misread your letter [No. 415] & to have thought you wished him to go all out for Scheme A. I attach a draft designed to make this point clear. I have added words to make clear too the need to get ahead with Italy.' A further note of even date read: 'Approved by P.M. as amended [see notes 3, 5, and 6 below]. To go tonight by F.O. messenger with the telegrams re. U.S.A.' Cf. No. 434, note 8 below.

[2] No. 418.

[3] In the first draft of this letter this phrase read 'Germany now and Italy . . .'

[4] See No. 420.

[5] This paragraph was added to the draft in Mr. Chamberlain's handwriting.

Yours sincerely,
NEVILLE CHAMBERLAIN

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[6] This paragraph was extensively amended by Mr. Chamberlain.

No. 434

Letter[1] from Sir A. Cadogan to Mr. Eden

[*A 2127/64/45*]

FOREIGN OFFICE, *January 13, 1938*

I enclose herein an amazing telegraphic correspondence with Washington.

The first four telegrams (Nos. 37–40 inclusive[2]) reached me about 5 o'clock yesterday evening. The Prime Minister was in the country, so I immediately wrote the minute, copy of which forms the first enclosure to this letter,[3] and sent it down to him with the telegrams.

This morning I received Washington telegrams Nos. 42 and 44.[4]

By the Prime Minister's instructions, I discussed the situation with Horace Wilson and we agreed that, desirable as it was not to appear in any way to discourage the President, it really seemed that he was taking and holding over our heads rather a hasty decision without full light on the situation here.

The Prime Minister returned this evening about 6 o'clock and I went to see him with a draft reply to Washington which I had written during the afternoon.[5] I had wanted to put in at the end of this telegram a sentence to the effect that if the President were nevertheless determined to proceed with his proposal and to adhere to his timetable, we could only assure him that we should accord the warmest welcome to his initiative and give it our whole-hearted support.

I was, however, unable to persuade the Prime Minister to go as far as this. He evidently views the President's initiative with the gravest concern, for reasons which are, I think, fairly fully set out in our two telegrams to Washington,[6] which form the last two enclosures to this letter. He preferred simply to make the appeal to the President for a little delay and further consideration of the matter in the light of the information we have now given him, and to see what reply that will elicit from Washington. When that comes, tomorrow or during the weekend, and if it shows that the President is still anxious to go ahead, the Prime Minister would have to decide whether to press him further for delay, or to agree that he should go on with his plan. If you have strong views on this point, you might be able to give us some indication by telephone as to what you think.

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[1] This letter was sent to Mr. Eden with the telegrams from the Foreign Office on the morning of January 14. In a telephone conversation with Mr. Eden, Sir A. Cadogan had urged his instant return to England. See *Facing the Dictators*, pp. 548–51, and *The Diaries of Sir Alexander Cadogan*, pp. 36–7. Opening and concluding salutations were omitted from the filed copy.

[2] Nos. 421–24.

[3] No. 428.

[4] Nos. 425 and 427.

[5] See No. 428, note 4.

[6] Nos. 430 and 431.

The Prime Minister is, I believe, writing to you himself by this same bag, but he asked me to explain to you that it was impossible to consult you as to the reply to Washington as that had to be sent off at once in order to give time for the President to give us his reply before Monday.[7] You will though, as I have pointed out, probably be able to give us your ideas as to what the decision should be in the event of the President's reply being unfavourable.[8]

I mentioned your luncheon engagement to the Prime Minister, who saw no objection.[9]

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[7] January 17.

[8] This however proved impossible, for the Foreign Office bag with the telegrams was put on the wrong portion of the train at Marseilles and did not reach Mr. Eden. He set off from Cannes by train on January 14, intending to fly from Paris to London, but owing to tempestuous weather the air service was cancelled, and he had to travel by boat to Folkestone in a rough sea on January 15. Here he was met by Sir A. Cadogan and Mr. Oliver Harvey. He read the telegrams on the journey to London.

[9] Presumably the lunch with Messrs. Winston Churchill and Lloyd George mentioned in *Facing the Dictators*, p. 547.

No. 435

Sir R. Lindsay (Washington) to Foreign Office (Received January 15, 9.30 a.m.)

No. 51 Telegraphic [*A 2127/64/45*]

Important Most Secret WASHINGTON, *January 14, 1938, 6.35 p.m.*

Your telegrams Nos. 35[1] and 36.[2]

I delivered the Prime Minister's message to the President, to Under-Secretary of State this afternoon. General reaction was favourable but on specific point of *de jure* recognition he expressed hesitations with which I will deal below.

While Welles was reading the message he remarked that chronic weakness of French Government[3] was one of the major difficulties with which all are confronted (this was with reference to your[4] intended consultation with the French Minister for Foreign Affairs).

After he had finished reading I said Prime Minister had valued President's message very highly and had sent answer only after the anxious consideration that the time allowed. He was deeply impressed with importance of keeping in step with the President and he had had it in mind to appeal to him for help or for instance to clinch a settlement. He imagined President might not have been aware of latest plans for an effort at conciliation and that he might regard this as factor to be taken into consideration.

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[1] No. 430.

[2] No. 431.

[3] M. Chautemps announced the resignation of his government at 5.10 a.m. on January 14, following a crisis in the position of the franc and the withdrawal of Socialist support from the *Front Populaire*. Both M. Bonnet and M. Blum were asked to try and form new ministries, but it was M. Chautemps himself who finally succeeded in assembling a predominantly Radical government, with assurances of Socialist support, on January 18. M. Delbos retained his post as Foreign Minister.

[4] i.e. Mr. Eden's.

Under-Secretary of State, who had indicated approval of various passages in the message by nodding, then said that the President had been impressed by deterioration of situation which seemed to him to be increasing with time. He had felt responsibility on himself to do what was possible to arrest the process. He expected that message would be welcome to the President and it certainly conveyed just the kind of information that was desired here. If prospects of making progress were favourable the very last thing the President would desire would be to do anything that would hamper them and he would probably decide to postpone his projected initiative. Under-Secretary of State would see the President tomorrow at lunch and would inform me of his views in the afternoon.

We then turned to the question of *de jure* recognition which I deal with in my immediately following telegram.[5]

[5] No. 436 below.

No. 436

Sir R. Lindsay (Washington) to Foreign Office (Received January 15, 9.30 a.m.)

No. 52 Telegraphic [*A 2127/64/45*]

Important WASHINGTON, *January 14, 1938, 11 p.m.*

Your telegram No. 32.[1]

On January 5th I called Welles's attention to a telegram in American press from Rome reporting that His Majesty's Government and Italian Government had agreed that broadcasts should be freed from any political matter. I pointed out that this might be the first step towards conversations and that it would confront His Majesty's Government with question of *de jure* recognition. I said that it would be a pity if our two Governments were to get out of step over this question. Welles's reaction was rather negative but he expressed no particular concern and I took this into account in drafting my telegram No. 31.[2]

On January 12th on receiving your telegram No. 32 I reminded him of above conversation and asked what state of affairs was as regards *de jure* recognition by United States Government of Ethiopia in connexion with pending trade treaty negotiations with Italy. He then said precise situation was not clear in his mind. He would enquire and let me know.

Today at the end of the conversation reported in my immediately preceding telegram he said *de jure* recognition was one of several difficulties in the way of trade agreement and that United States Government had always made it clear to Italian Government that owing to United States attitude towards Manchukuo they could not grant *de jure* recognition in regard to Ethiopia[. A]s to bearing of this on His Majesty's Government's projected conversations with Italian Government he could quite see that they might be forced to it. Also that a solution of the questions in Europe was the key to whole situation. But for the United States the Far Eastern question was in forefront and Brussels Conference had recently re-affirmed principles which forebade recognition of Manchukuo. He did not quite see how it would be possible to find a distinction between two cases. If *de jure* recognition were granted to Ethiopia it seemed to him that from juridical point of view[3] it would be very difficult to save the point as regards Manchukuo in peace negotiations between China and Japan. He would consult with the President and speak to me about it again tomorrow.

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[1] No. 426.

[2] No. 416.

From his general tone even more than from his words I infer that he is anxious to find a way out but for United States Government the difficulty is genuine even though it may be somewhat theoretical in character. The practical solution is that United States Government should continue at least for the present to be obstinate in both cases and should allow us to go ahead in Ethiopia without quarrelling with us. But it would be quite impolitic for us to suggest this to them.

[3] On the copy of this telegram preserved in the Prime Minister's papers (PREM 1/259), a marginal note appeared at this point, apparently in Sir H. Wilson's handwriting: 'Surely nobody would *now* expect Japan to be inclined even to listen to juridical point of view about Manchuria!'

No. 437

Sir N. Henderson (Berlin) to Foreign Office (Received January 17)

No. 10 Saving: Telegraphic [*C 316/42/18*]

BERLIN, *January 14, 1938*

During a visit which I paid to the Minister for Foreign Affairs yesterday on my return from leave I spoke to him earnestly on the subject of German press, more particularly with regard to colonial question.

I told Baron von Neurath that I had had an opportunity to see the Prime Minister in London[1] and had found him determined not to allow the Halifax visit to remain without a sequel. The German problem was unfortunately not the only one with which His Majesty's Government were at present faced; there was also the Mediterranean and the Far East, but in certain respects it was the most difficult of all. Not only was ample time required to study all the complicated aspects of the colonial question but British public opinion had also to be prepared. Italy was a far simpler proposition and His Majesty's

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[1] Cf. No. 420.

Government would probably be in a position to approach Rome at an earlier date than Berlin (I got no reaction to this observation) even though in reality the latter was the more important of the two.

Baron von Neurath here interrupted me by saying that Germany would be patient. I retorted that it was not German patience which I asked for so much as German appreciation of our difficulties. If any advance was to be made by His Majesty's Government it was essential that those difficulties should not be increased by tactless German press comments. Nuisance value within limits was one thing but intimidation was quite another: to talk of Germany's right as a Great Power to share in the development of Africa was a comprehensible line of argument; to speak of 'stolen' colonies and forcible re-seizure would only arouse such resentment in England as would defeat Germany's own object. It might be impossible to prevent all reference to colonies, though the less said the better, but in any case if reference there had to be let it be in studiously moderate terms. I attached the utmost importance to this point and I hoped that he would report my observations to the Chancellor.

Baron von Neurath readily undertook to do so. He did not think that I would have reason to complain. Herr Hitler had himself, he said, given instructions last month to damp down colonial question not only in the press but in other respects and von Epp, President of the Colonial League, had come up from Munich specially to discuss this matter. He was himself on good terms with new Press Director, Dietrich, and hoped that his appointment might have good results. I said that I had invited Dietrich to lunch with me the day before and had also spoken to him somewhat in the above sense. I was, I finally said, not complaining: the attitude of German press had greatly improved with one unfortunate lapse (see Berlin telegram No. 2)[2] since the beginning of last November: all I had to impress upon him and the Chancellor was the extreme desirability of preserving propaganda-truce during the next few months.[3]

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[2] This telegram of January 7 (R 218/153/37) referred to violent attacks in the German press on His Majesty's Government's attitude towards minorities and treatment of natives in Palestine and on the North West frontier.

[3] In a minute of January 18 Mr. Roberts remarked: 'Sir N. Henderson has not apparently yet seen Herr Hitler to deliver the P.M.'s message recorded in C 189' (No. 420). Mr. Strang wrote on January 19 that he was 'a little doubtful about the word "propaganda-truce" at the end of the telegram. It will be all to the good if the Germans damp down anti-British articles & broadcasts: but we have not, on our side, given any corresponding undertaking, because it is not in our power to do so'.

No. 438

Minute by Mr. O. C. Harvey for Mr. Eden

[*C 8661/270/18*]

FOREIGN OFFICE, *January 14, 1938*

Sir N. Henderson has written to Lord Halifax asking whether he has seen his despatch of last December regarding the Halifax visit.[1] The despatch in question, which is attached (Flag B), has not been printed and has been shown to no-one outside the Office. Many of the views expressed therein were unorthodox and it crossed our own despatch[2] to Sir N. Henderson in which we set out our views on the same subject. This outward despatch has also not been circulated outside the Office. Will you authorise us to send a copy of Sir N. Henderson's despatch to Lord Halifax? I do not think we can refuse. (It is intolerable of Sir N. Henderson to refer other Cabinet Ministers to his own despatch and he should certainly be rebuked). On the other hand, what Sir N. Henderson writes in his despatch he undoubtedly said to Lord Halifax so no great harm will be done by his seeing it.[3]

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[1] The reference is evidently to No. 391.

[2] No. 395.

[3] Mr. Eden wrote: 'I agree. A.E. Jan. 17.'

No. 439

Note by Sir Horace Wilson for Sir A. Cadogan

[*C 484/42/18*]

Secret *January 14, 1938*

The Prime Minister would be glad if there could be prepared for him (in the light of the principles set out in the telegram he authorised yesterday (see below[1])) a note collecting together the various 'contributions' which we might be able to get the Germans to make. Some were mentioned in the conversations with Lord Halifax and with Sir Nevile Henderson and others. Some have been dealt with more formally. There are the assurances about the Western frontier, and about Belgian neutrality; there are the references to Austria and to Czechoslovakia—no use of force.

What the Prime Minister has in mind is to see what sort of a picture might emerge (in which 'Colonies' would appear somewhere) if those concerned put their heads together and tried to make the most of the material that is available. He would like to have this in his mind before getting down closely to the Colonies question.

H.J.W.

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[1] *Note in original*: His Majesty's Government have realised that if such appeasement is to be achieved it will not be upon the basis of bargaining in which each side seeks to weigh up what it will get against what it will be asked to give. Our plan (both as regards Germany and Italy) rests upon the view that we and they are in a position each to make a contribution towards an objective we both desire to obtain. There would be no need to discuss whether our contribution were greater or less than theirs. What is needed is to ensure that the contribution of each will, taken with the contribution of the other, make up an agreement which will bring appeasement.

This passage is from Foreign Office telegram No. 35 to Washington (No. 430).

No. 440

Note by Mr. Ashton-Gwatkin for Mr. Eden

[*C 368/63/62*]

FOREIGN OFFICE, *January 14, 1938*

Monsieur van Zeeland's Report[1] has not yet been officially submitted to the British and French Governments; but M. van Zeeland brought over a full preliminary draft on the 6th of January and discussed it with the Prime Minister and Sir Frederick Leith Ross on the 7th of January. As a result, he has amended his draft in certain respects particularly with regard to the proposal for a Common Fund. This revised draft has been received here and is being translated. A copy of the translation will be sent to M. van Zeeland as soon as possible, and the Report will then be officially submitted to the French and British Governments while a copy of the English translation will be handed to the American Ambassador in Brussels.

The following is a very brief analysis of the Report:

(1) *Tariffs.* The report recommends a general reduction of tariffs; and an exception from the most-favoured-nation clause in favour of 'low tariff groups'.

(2) *Quotas.* M. van Zeeland recommends a complete abolition of industrial quotas and eventual abolition of agricultural ones.

(3) *Exchange Controls.* M. van Zeeland envisages the possibility of arrangements being made to form a Central Fund to be held perhaps by the Bank of International Settlements, to facilitate the removal of exchange controls.

(4) M. van Zeeland points out that progress depends on the willingness of the different Governments to join in a general programme of economic collaboration. He suggests that the first step should be to convene a meeting of representatives of the United States, the United Kingdom, France, Germany and Italy, to examine whether there was any agreement on principles, in which case a pact of collaboration might be drawn up, setting out these principles.

(5) If this committee were successful in its work, M. van Zeeland suggested that a permanent international body might be set up (on the lines proposed in the King of the Belgians' letter)[2] to work out the detailed application of these principles as regards tariffs, quotas, exchange controls, etc.

The lines of the report were explained by Sir Frederick Leith-Ross to Mr.

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[1] See No. 23. M. van Zeeland had been preparing his draft report since the summer of 1937, but had been delayed by ill-health and by the Belgian political crisis which had led to the resignation of his government on October 25, 1937. He had already shown the first draft to Sir F. Leith-Ross and discussed it with him on November 28, 1937, when M. van Zeeland stressed the difficulties he had encountered in formulating his recommendations: 'He had met with every encouragement in principle from every country, but with every reservation when it came to practical execution.' A record of this conversation is filed at C 8240/71/62/1937.

[2] On July 21, 1937, King Leopold addressed an open letter to M. van Zeeland advocating the establishment of an independent world economic organisation. A copy of the letter is filed at C 5389/71/62, and a translation of the text was printed in *The Times*, July 24, 1937, p. 11.

Butterworth, of the United States Embassy, on the 31st of December; and on the 12th of January Mr. Butterworth gave an account of the first reactions of his Government. He said that Mr. Hull was pleased with the general tone of the report, but did not wish as yet to express any definite view on its details except to say that the proposal for a Common Fund to maintain the exchanges would create difficulties in the United States, and that it would probably be opposed by Congress. The method and extent of United States participation in the van Zeeland scheme must therefore be reserved.

As regards procedure, Monsieur van Zeeland had proposed:

(1) that as soon as the report was communicated officially to the French and British Governments, it should be sent at once to the United States, Germany, Italy, and perhaps some other countries such as the Netherlands, and then published, and (2) that the United Kingdom with the French and the United States Governments, as signatories of the Tripartite Agreement of 1936,[3] should invite Germany and Italy to send representatives to the small conference of experts suggested in the report.

The Prime Minister had agreed to the first of these proposals; as regards the second, his first comment was that a joint invitation by the three great democracies might risk putting up the backs of Germany and Italy and so lead to a refusal to co-operate.

Mr. Chamberlain thought that it might be better for M. van Zeeland himself to visit Washington, Berlin and Rome as soon as the report had been presented and published,[4] and find out in those three capitals what was the general reaction to the report and to the procedure outlined therein, so that when the committee of experts assembled they would meet with a very fair chance of reaching an agreement.

This was explained to Mr. Butterworth who promised to find out the views of his Government on these alternative procedures. He thought that Mr. Chamberlain's suggestion was the one which seemed likely to be preferred.

I attach Sir Frederick Leith-Ross's record of the interview between Mr. Chamberlain and Monsieur van Zeeland on the 7th of January.[5]

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[3] See Volume XVII, No. 248, note 4.

[4] The report was formally communicated to His Majesty's Government on January 26, and was published on January 28 as Cmd. 5648, *Miscellaneous No. 1 of 1938*. A copy of the final version of the report is filed at C 524/63/62.

[5] Not printed. Mr. Eden initialled Mr. Ashton-Gwatkin's note on January 17.

No. 441

Sir R. Lindsay (Washington) to Foreign Office (Received January 15, 10 p.m.)

No. 57 Telegraphic [*A 2127/64/45*]

Immediate Most Secret WASHINGTON, *January 15, 1938, 3.49 p.m.*

My telegram No. 51.[1]

Under Secretary of State has telephoned me to say that President will send

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[1] No. 435.

Prime Minister a written reply on Monday.[2] He will indicate his willingness to postpone his scheme 'for a while' but Welles says he feels a little disappointed.

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[2] i.e. January 17.

No. 442

Sir N. Henderson (Berlin) to Foreign Office (Received January 20)

No. 53 [*C 380/42/18*]

BERLIN, *January 15, 1938*

Sir,

The editor of the *Frankfürter Zeitung*, Dr. Kircher, called on me yesterday, having recently returned from a tour in the United States. After some discussion in regard to the unfriendly attitude held at the moment in that country towards Germany, Dr. Kircher asked me what my own impressions on coming back to Berlin from London were as regards the feeling here towards Great Britain. When I replied that I had not yet seen enough people to form any very definite opinion, he gave me to understand that in his belief there had been a decided change for the better.

2. I told Dr. Kircher that I could only hope that this was actually the case and, if so, that the German press would continue to help and not hinder the good cause by injudicious attacks or ill-advised propaganda particularly in the matter of the Colonies. The Colonial problem was an exceedingly intricate and difficult one and if His Majesty's Government were to consider it objectively they must be allowed to do so in an atmosphere that was not vitiated by polemics. Personally I had, I said, been very disappointed by the attitude of the German press at the time of the visit of the French Ministers to London after the Halifax-Hitler conversations. The simple mention of the words 'general settlement' had raised here a howl about 'Kuhhandel' (bargaining). Such an attitude was worse than silly; it was indefensible. It was obvious to the most limited intelligence that if any advance were to be made by England it could only, in her capacity as a 'possessor', take the form of a concession on her part. There could only be one object in view if any such concession were to be made, and that was in order to achieve appeasement, genuine peace and stability in Europe. No Government in England could hope to persuade the British public to accept any arrangement whatsoever which did not conduce to such a consummation. Germany would therefore have simultaneously to give irrefutable proof of her loyal intention to contribute towards it. In fact the more she contributed the more willingly would the British public approve the offer which might eventually be made to Germany and I regarded it as essential to any real and permanent good understanding that both sides should be really satisfied with the final arrangement.

3. Dr. Kircher, who had listened attentively to this disquisition, asked me what form I considered Germany's contribution could take. I told him that I could merely expresss a personal opinion but that the general lines along which I was thinking were as regards armaments, the League of Nations, Austria and Czechoslovakia. To none of these did Dr. Kircher raise any objection except as regards the League. The statement as regards Germany's intention never to return to that body, had, he said, emanated from the highest authority and it would not be possible to go back on it.[1] In reply I argued that Germany would make a great mistake if she adopted a too uncompromising attitude towards the League. Even if it had failed in certain respects, it had been amazingly successful in all its non-political activities and in any case it constituted both a permanent organisation to which reasonable countries could always apply for the pacific settlement of their differences as well as a general rallying point in the event of a major crisis. To talk of 'never' was absurd and I hoped that Herr Hitler, if he couldn't get out of it otherwise, would in the end explain that all he meant was that Germany could never return to the League as constituted in its present form.

4. Finally Dr. Kircher said that he believed he could render better service to the cause of peace if he worked from outside Germany rather than from within. When in Germany his articles had to conform to directions from above and to represent a purely German point of view. Abroad he would have somewhat more latitude and be able to give more expression to the standpoint of other countries. He was contemplating on this account temporarily giving up his present job, provided he could make sure that he would not lose it altogether, and becoming a free-lance in Rome and London for a few months. Did I advise his proceeding to London for this purpose? I told him that I thought it might eventually be useful if he did so, but I would recommend Rome before London, since there might, in my opinion, be earlier developments there than at Berlin. Ultimately, however, if he went to London and was brave enough to explain the British point of view to his countrymen, he might indeed promote the cause of a better Anglo-German understanding.

Dr. Kircher is one of the more reasonable German publicists. Though he has convinced himself of the value to his country of the Nazi Government, he is quite alive to some of its follies. His task is not always an easy one here on that account, though he is in fairly close touch with the Ministry for Foreign Affairs. His paper, the *Frankfürter Zeitung*, is moreover consistently less offensive in its comments on foreign affairs than the organs of the Nazi Party but unfortunately for that very reason it is correspondingly less widely read and has comparatively little public influence.

I have, etc.,

NEVILE HENDERSON

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[1] See No. 393, note 2.

No. 443

Mr. Eden to Sir R. Lindsay (Washington)

No. 41 Telegraphic [*A 2127/64/45*]

Immediate Very Secret FOREIGN OFFICE, *January 16, 1938, 2.30 a.m.*

I have just returned on request of Prime Minister to consult on President's initiative, and have just seen your telegram No. 57.[1] I am sure Prime Minister will be very grateful for President's message and for his willingness to postpone his scheme for a while.

Mention of written reply makes me fear that President may be registering disappointment at finding what he considers to be a negative attitude on our part. That, I am convinced, was not the impression which it was intended to convey.

I hope therefore that we need not regard the President's written reply, whatever it may contain, as assuming any such attitude on our part. I shall be in consultation with the Prime Minister tomorrow Sunday[2] and hope to be able to give you further guidance. President will surely understand that we were in some difficulty owing to the very short time given us for the consideration of his far-reaching proposals, more particularly in view of impossibility of consultation between Prime Minister and myself.[3]

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[1] No. 441.

[2] This telegram was drafted late on Saturday night, January 15.

[3] In his memoirs (*Facing the Dictators*, p. 553) Mr. Eden states that after being briefed by Sir A. Cadogan about the President's initiative he talked on the telephone to Sir R. Lindsay and then sent off the above telegram No. 41 in order 'to modify this calamitous sequence of events'. Cf. also Appendix I to this Volume.

No. 444

Sir R. Lindsay (Washington) to Mr. Eden (Received January 18, 9.30 a.m.)

No. 60 Telegraphic [*A 2127/64/45*]

Important WASHINGTON, *January 17, 1938, 4.30 p.m.*

My telegram No. 52.[1]

Secretary of State spoke this morning about *de jure* recognition and used much the same language as Welles had used except that it was stronger. While equally recognising that we may be (? driven) under a compelling necessity to grant recognition of Ethiopia he repeated that the effort to interest the public of America in broad issues of world affairs is largely based on moral issue of improving international morality and checking systematic disregard of obligations. He was speaking under the impression that recognition by His Majesty's Government or by the League might come in the very near future.

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[1] No. 436.

He thought that such a step would have a very unfortunate effect indeed in America just in the direction he most wished to prevent as well as those results in Far Eastern situation to which Welles had referred. He wondered whether there was any possibility that the Italian Government might be persuaded on broad grounds to allow their demands on this point to stand over. I said that I thought there was no chance of this latter point materializing and that if our conversations with the Italian Government reached a certain point we might have to make concession very quickly in order to keep them alive. (Would you let me have your views on this suggestion by the Secretary of State?) At the same time I did not anticipate that that moment would come at least within the next ten days as regards our anticipated conversations, though as regards action by League of Nations I could say nothing definite in view of reported movement in favour of recognition amongst Scandinavian Governments.[2]

I presume difficulty of according recognition to Ethiopia and withholding it in the Far East is present to the mind of His Majesty's Government. If you have any arguments to justify former case and distinguish it from the latter they might be very useful here.

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[2] Cf. No. 404, note 8.

No. 445

Letter from Mr. Eden to Mr. Chamberlain

[*A 2127/64/45*]

Personal and Secret FOREIGN OFFICE, *January 17, 1938*

[1]On my return from Chequers[2] I went once again carefully through the file of telegrams of the last few days beginning with Roosevelt's initiative (telegram No. 39 from Washington[3]). This confirms me in the first impression I had on reading Roosevelt's message in the train coming up from Folkestone. I agree at once that there are phrases in that message which I would like to see modified, notably those which deal with 'inequities' of the peace settlement and 'political involvement'. I agree also that there is no doubt a certain danger of an element of confusion arising from the method which the President wants to employ and from the fact that the United States Government, if only for reasons of geography, lack our intimate knowledge of European affairs. But these things all seem to be of minor importance against the significant fact that President Roosevelt, with all the authority of his position which is unique in the world, wishes to help to avert a general war. Of his good intentions there can be no question: on this, you and I are, I believe,

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[1] Opening and concluding salutations omitted from the filed copy of this letter.

[2] Mr. Eden records in his memoirs (*op. cit.*, pp. 553–5) what he describes as a 'profoundly unsatisfactory conversation' with Mr. Chamberlain on Sunday, January 16. Sir A. Cadogan however reports Mr. Eden as saying that 'he had had "fairly" satisfactory day with P.M.' (*The Diaries of Sir Alexander Cadogan*, p. 38).

[3] No. 423.

completely in agreement. I am less confident that the United States initiative, based on collaboration with us even though that collaboration be not publicly revealed, must be of the greatest service in steadying the situation generally.

I really do not feel that this initiative of President Roosevelt need necessarily injure the attempts which we are making to improve relations with Germany, nor even have any repercussions on the conversations which I know you are so anxious to start with Italy. It may be that you think that I exaggerate, but I truly believe that with the world as it is now, it is almost impossible to overestimate the effect which an indication of United States interest in European affairs may be calculated to produce. I know that you fear that the dictators would resent the tone of his communication and that there would be, in consequence, a blast and counter blast between democracies and dictatorships. I do not myself think this would be the result, though I agree that neither of the dictators would like Roosevelt's initiative: they would probably, however, be constrained to conceal their dislike and might even become more negotiable as a result of their knowledge of President Roosevelt's attitude.

There remains a further difficulty: President Roosevelt cannot make his initiative jointly with us and has to employ methods which it is not easy for us to endorse, but that is, of course, due in the main to his imperative need to obtain the support of his public opinion for what he is doing. It does not, I am sure, betoken any absence of agreement with us in general appreciation of the present world situation. On the contrary, his first paragraph seems to be a very fair summary of our present difficulties.

I am myself convinced that we shall have committed the greatest mistake if, as a result of any action of ours, President Roosevelt is deterred from launching his appeal. I am afraid that our first telegram, No. 35,[4] has been a disappointment to Roosevelt but it is difficult to see what further action we can now take pending the communication Lindsay tells us he is expecting from the President today. I do, however, feel most strongly that we should make the fullest use of any opening that communication may give us in order to convince the President that we are ready to give support in the fullest measure possible to his proposed initiative.[5]

ANTHONY EDEN

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[4] No. 430.

[5] The substance of this letter is printed in *Facing the Dictators*, pp. 555–6.

No. 446

Sir R. Lindsay (Washington) to Mr. Eden (Received January 18, 10 a.m.)

No. 62 Telegraphic [*A 2127/64/45*]

Immediate Most Secret WASHINGTON, *January 18, 1938, 1.50 a.m.*

Following message from the President to the Prime Minister was handed to me tonight[1] by Under Secretary of State, begins:

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[1] i.e. January 17.

I appreciate greatly very frank and friendly spirit in which the Prime Minister has replied[2] to confidential message I sent him with regard to proposal I contemplated making. Full and detailed information which Prime Minister has been good enough to send me as to steps already taken and at present contemplated by His Majesty's Government has been particularly helpful to me. Prime Minister fears that if suggestions which I have had it in mind to make to other nations of the world are put forward at the present time, Germany and Italy may take advantage of them both to delay considerations of specific points which must be settled between Great Britain and France and Germany and Italy if appeasement is to be achieved, and to put forward demands over and above what the latter Powers would put forward if direct negotiations between them and Great Britain and France were all that was in progress.

2. In view of request and considerations advanced by the Prime Minister I am willing to agree to defer making proposal I had intended to make for a short while as he suggests in order that His Majesty's Government may see what progress they can make in beginning direct negotiations they are contemplating.

3. I must confess that I am concerned by statement of the Prime Minister that His Majesty's Government under certain contingencies 'would be prepared for their part if possible with the authority of the League of Nations to recognize *de jure* Italian conquest of Abyssinia'. I take it of course for granted that the Prime Minister has given due consideration to the harmful effect which this step would have especially at this time upon the course of Japan in the Far East and upon the nature of the peace terms which Japan may demand of China. At a moment when respect for treaty obligations would seem to be of such vital importance in international relations as proclaimed by our two Governments only recently at Brussels Conference, and at the time when our two Governments have been giving consideration to measures of co-operation in support of international law and order in the Far East as well as of their respective legitimate and legal rights in China, I cannot help but feel all repercussions of the step contemplated by His Majesty's Government should be most carefully considered. A surrender by His Majesty's Government of principle of non-recognition at this time would have a serious effect upon public opinion in this country. Public opinion in the United States will only support the Government in measures of pacific co-operation with other peace loving nations of the world provided these measures of co-operation are destined to re-establish and maintain principles of international law and morality. Recognition of conquest of Ethiopia which at some appropriate time may have to be regarded as an accomplished fact, would seem to me to be a matter which affects all nations which are committed to principles of non-recognition and which should consequently be dealt with as an integral part of measures for world appeasement in which all nations of the world have previously demonstrated their common interest and their willingness to bear their individual responsibility.

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[2] See No. 430.

4. Finally in view of statement which the Prime Minister was good enough to make that he would be glad to consider any observations which I might desire to make upon his message and to give immediate consideration to them, I will express the hope that he may be good enough to keep me advised of developments with regard to some aspects of direct negotiation with Germany and Italy which he now has in prospect. With regard to political feature of these negotiations this Government of course has no connexion. I feel however that it would be most helpful to this Government to be apprized of those features of negotiations which would have a material effect upon maintenance of these international principles and upon policies of world appeasement which this Government endeavours to support, and in particular of these questions which have to do with treaty rights and economic and financial measures with which this Government like other Governments might be directly concerned.[3]

[3] The President's message is also printed in *F.R.U.S.*, *op. cit.*, pp. 120–2.

No. 447

Sir R. Lindsay (Washington) to Mr. Eden (Received January 18, 10 a.m.)

No. 63 Telegraphic [*A 2127/64/45*]

Important Very Secret WASHINGTON, *January 18, 1938, 1.58 a.m.*

My immediately preceding telegram.[1]

You will see that President does not regard the door as being closed. On the contrary in reply to a question Under Secretary of State for Foreign Affairs told me if you have any questions to ask or suggestions to make or modifications to propose in President's scheme they will receive every consideration. In proposal of January 11th[2] a time-table had been laid down in detail. This had been done as a matter of machinery to enable administration to prepare the ground for its announcement but the time-table could be transferred bodily to any other later date within reason.

I have felt anxious as to President's feelings with regard to Prime Minister's reply. As to their real nature I have two indications (a) in copy of present message shown to me tonight by Under Secretary of State for Foreign Affairs President had himself written words 'I am willing to agree' in paragraph 2 crossing out words 'I readily agree' and (b) Under Secretary of State of Foreign Affairs told me in this connexion that there had been another paragraph to the message which the President had agreed to omit. I infer that President's disappointment had been distinctly felt.

3. I am impressed at receiving this third warning in regard to *de jure* recognition and Welles's commentary delivered by the President's instructions was even more emphatic than actual message. President felt that opinion in United States was crystalling [*sic*] even then favourably in the

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[1] No. 446.

[2] No. 422.

direction he desired. He was confident that *de jure* recognition of Ethiopian situation given in wrong conditions would turn it right back. Question touched both material interests of the United States in the Far East (which were not different from those of His Majesty's Government) and moral sentiments of the people. It would rouse a feeling of disgust; would revive and multiply all fear of pulling the chestnuts out of the fire; and it would be represented as a corrupt bargain completed in Europe at the expense of interests in the Far East in which the United States were intimately concerned. The Under Secretary of State for Foreign Affairs however spoke mostly if not entirely about a 'bilateral' agreement for *de jure* recognition of Ethiopia and he particularly called attention to words that it 'may at some appropriate moment have to be regarded as an accomplished fact'. He said that in order to avoid unfortunate repercussions here solution would have to be found on some collective basis by which it would be possible to draw actual recognition into harmony with normal and moral international procedure. He agreed with my remark that the League of Nations is usually regarded here as a British puppet and that we were always blamed for anything it does which is not approved of here.

4. I said that our immediate practical difficulty was that as soon as conversations with Italian Government begin we shall be confronted with something like an ultimatum requiring immediate recognition failing which conversations would be broken off at once. His reply was that that would be pure blackmail. If His Majesty's Government yielded it would be echoed very soon by unconscionable demands from Germany, later re-echoed by further similar demands again from Italy.

5. As to final paragraph of message asking for detailed information of progress, Welles said that President wished to specially call to mind circumstances of Anglo-German Naval Limitation Agreement.[3] This it was true had political implications in Europe with which United States Government was not concerned but it did nevertheless affect American interests. United States Government had not been consulted and President felt that they ought to have been consulted.

6. The above is a specific instance of what the President has in mind and perhaps is also intended as a warning to His Majesty's Government that they must in all their dealings with Central Powers have a particularly tender regard for cases where American interests are in any way concerned. But broadly speaking I should hope you would be willing to take United States Government to the fullest degree into your confidence in regard to prospective conversations. There is everything to be gained by keeping them fully punctually and accurately informed. May I remind you that in my telegram No. 26[4] I recommended a general and intimate diplomatic liaison between State Department and Foreign Office.

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[3] See Volume XIII, No. 348.

[4] No. 413.

No. 448

Sir N. Henderson (Berlin) to Mr. Eden (Received January 18, 9 p.m.)

No. 9 Telegraphic [*C 335/267/18*]

BERLIN, *January 18, 1938, 8 p.m.*

My despatch No. 46.[1]

Monsieur Beck during his stay here had conversations with Baron von Neurath, General Göring and Herr Hitler in the course of which all questions of European policy were discussed. He left on January 15th after declining an invitation to prolong his stay by one day in order to attend the dinner given to Monsieur Stoyadinovich.[2]

I learn from a reliable source that Monsieur Beck was on the whole very satisfied with his conversations. As regards Danzig he was given the most categorical assurances respecting the safeguarding of Polish rights. He affects to believe for the moment that no further encroachments are to be expected in that quarter.

No attempt was apparently made to exercise pressure on him in regard to attitude of Poland towards the League of Nations.

The disquieting feature was the impression Monsieur Beck appears to have received that the Germans expected early developments in Austria which they hoped to be able to exploit.[3]

Repeated to Warsaw.

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[1] In this despatch of January 15 Sir N. Henderson reported that M. Beck had stopped in Berlin, en route to Geneva, to meet Baron von Neurath. See *D.G.F.P.*, Series D, vol. v, Nos. 28–30.

[2] M. Stoyadinovitch visited Germany January 14–22. An account of the reception given by Herr Hitler for him on January 17 is printed *ibid.*, No. 163: cf. also Nos. 162 and 165.

[3] A minute by Mr. O'Neill of January 19 on this telegram read: 'Our recent impressions have been to the effect that a policy of "go slow in Austria" still holds the field in Germany. No doubt favourable circumstances might reverse such a policy; but it is hard to see in what way circumstances have suddenly altered in Germany's favour'.

No. 449

Minute[1] by Mr. Eden for discussion with Mr. Chamberlain

[*A 2127/64/45*]

FOREIGN OFFICE, *January 18, 1938*

I am afraid that it is clear from the President's message[2] that he has been disappointed at what he considers to be the negative nature of the reply sent to him in telegram No. 35.[3] It is true that he offers nonetheless to defer making the proposal he had intended to make 'for a short while'. It might, therefore, be argued that we could maintain the position set out in telegram No. 35, ask the President to hold his hand for some months and do our best in the interval to go ahead in our negotiations with Germany and Italy. I am convinced, however, that to pursue this course would be to commit a grave error. This message shows that the President and Mr. Hull feel more strongly against *de jure* recognition than Sir R. Lindsay had anticipated. If, having asked the President to refrain from an initiative he is anxious to take, we should then find ourselves engaged in a protracted negotiation on a basis which is repugnant to him, such a process must be injurious to Anglo-American relations, might produce constant friction and would make collaboration between the United States and ourselves in the Far East more difficult. Even if our negotiations with Italy were ultimately successful and the difficulties are great – I mention only the French attitude, that of the League and that of some of our own Dominions, quite apart from Mussolini's expected reluctance to grant anything which our public would regard as worth-while in exchange—we must anticipate that the outcome would not only be received without enthusiasm in this country but be actively condemned by opinion in the United States. Therefore at best we should have succeeded in improving relations with Mussolini at the cost of imperilling them with President Roosevelt. A still graver danger is that the President, disappointed by our failure to support his initiative and being himself critical of the character of our negotiations, would withdraw more and more into isolation. The result of our patient efforts over the last six months to build up Anglo-American co-operation would then be completely destroyed. Such an event I should regard as the greatest possible disaster to the peace of the world.

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[1] *The Diplomatic Diaries of Oliver Harvey* (p. 73) state that as soon as President Roosevelt's reply (No. 446) arrived in the Foreign Office on January 18 Mr. Eden 'at once saw his way clear, viz. that we must on this decide to drop any idea of proceeding with *de jure* recognition in deference to Roosevelt and we must tell him that we would back his initiative in the fullest possible measure. He is to see the P.M. at five, and in preparation drafted a considered minute in this sense. Bobbety [Lord Cranborne], Alec, Jim [J.P.L. Thomas, Parliamentary Private Secretary to Mr. Eden] and I all agreed in this'. See also *Facing the Dictators*, pp. 558–9 and Appendix B.

[2] No. 446: cf. No. 447.

The decision we have to take seems to me to depend upon the significance which we attach to Anglo-American co-operation. What we have to cho[o]se between is Anglo-American co-operation in an attempt to ensure world peace and a piece-meal settlement approached by way of problematical agreement with Mussolini. If as is clear to me we must cho[o]se the former alternative, then it seems that we should reconsider our attitude and strongly support President Roosevelt's initiative. As you know, I do not take the view that this initiative need injure the prospects of our negotiations with Germany, which I regard as the more important of the two sets of negotiations we were considering. In fact the closer the sympathy and co-operation between the United States and ourselves, the stronger will be our position in dealing with Germany.

Moreover, if we now decide to support the President's initiative, we should be fully justified in asking him to make certain modifications in his text. Those I have in mind would deal particularly with the points which I mentioned to you in my last letter, the reference to 'inequities' of the peace treaty and the term 'involvement'.[4]

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[3] No. 430.

ANTHONY EDEN

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[4] Mr. Eden took this paper across to 10 Downing Street at 5 p.m. and returned about 7 p.m. According to Mr. Harvey (*ibid.*, p. 73) the interview with Mr. Chamberlain 'had gone very badly. The P.M. had refused absolutely to accept A.E.'s view and to endorse Roosevelt's proposal . . . He wanted to send a reply arguing with the President as to why he wished to proceed with *de jure* recognition, and asking him to hold up his plan until after he had started his negotiations with Italy. He admitted that there was a fundamental difference between him and A.E. and left the impression that one or the other must go.' Cf. also Appendix I to this Volume.

No. 450

Mr. Eden to the Earl of Perth (Rome)

No. 95 [*R 662/23/22*]

FOREIGN OFFICE, *January 19, 1938*

My Lord,

The Italian Ambassador asked for an interview with me today on his return from Rome. Count Grandi began by saying that he had brought no official message, but that he was anxious to resume contact after a holiday in the course of which he had naturally seen most of the prominent personalities in Italy, including Signor Mussolini and Count Ciano. His Excellency continued that he had found a genuine desire in Italy for the opening of conversations with us. He, of course, fully appreciated the difficulty of the question of *de jure* recognition, but he knew that I understood that there could be no successful conversations unless they included this subject. The difficulty was that a great many people in Italy were convinced that Great Britain nursed feelings of revenge and, so long as the question of *de jure* recognition remained open, this feeling would continue. When he was in this country he was apt to ask himself why the Italians did attach so much significance to what after all might not seem to be of such great importance now that *de facto* recognition had been granted, but when he was in Italy he fully appreciated the reason and indeed he thought that it was quite impossible for Signor Mussolini to come to any arrangement with us that did not include *de jure* recognition.

the Italian point of view and I was glad that the Ambassador so fully appreciated our difficulties also. Count Grandi would be aware that I was myself going to Geneva in a few days time[1] where, I would not conceal from him, I should probably have conversations on this subject with both the French Government and other Governments. In the meanwhile there was, I feared, nothing I could usefully add to my last conversation with Signor Crolla.[2] The Ambassador at once said that he fully understood the position and did not in the least anticipate that I should be able to say anything new to him. His main purpose had been to express to me the atmosphere in Italy and to assure me of the sincerity of the Italian desire for conversations.

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[1] The meeting of the League Council had been postponed until January 26 in view of the French governmental crisis (see No. 435, note 3).

[2] See No. 402.

3. In this connexion Count Grandi mentioned that he was sure there would be no difficulty on the Italian side about the place and the methods of negotiation. It could take place either in London, if I desired, or in Rome.

4. Finally, Count Grandi said that he would like, if it were possible, an opportunity of seeing the Prime Minister in the near future, merely to repeat to him what he had said to me. In order to avoid any false suggestion being made as to his motives in so doing, His Excellency had suggested that perhaps he might see the Prime Minister and myself together. Of course he would fall in with any arrangement suggested by us. I replied that I would be very glad that he should see the Prime Minister, to whom I would report what had passed between us.[3]

I am, etc.,
ANTHONY EDEN

[3] This interview was followed by a meeting of the Cabinet Committee on Foreign Policy: see No. 455, note 2 below. Cf. also *The Diplomatic Diaries of Oliver Harvey*, p. 74.

No. 451

Sir R. Lindsay (Washington) to Mr. Eden (Received January 21, 9.30 a.m.)

No. 72 Telegraphic [*F 838/84/10*]

Very Secret WASHINGTON, *January 20, 1938, 4.46 p.m.*

Secretary of State sent for me this morning in order to propose to me what I take to be a full exchange of diplomatic information between the two governments (you will remember that I have already suggested this to you in my telegram No. 26).[1] What he said was that he thought he and I ought to sit down together sometimes and discuss frankly the situations not merely in the Far East but also in other fields as well. At various moments in the conversation he expressed interest in (a) strength of Franco-Russian alliance and possibility of a Russo-German entente coming about (b) present tendencies in Roumania and (c) in which direction was the Little Entente drifting. He was anxious that State Department should have the best information on all questions so that they should not lose any opportunity of doing anything possible to help on programme of economic progress which he regarded as constructive element in effort for peace and on this he spoke at some length. The conversation came to an end when I was called back to the Embassy to talk to you by telephone. I had by then said to him that in my personal view State Department can best ascertain what is in your mind through oral enquiry at the Foreign Office by United States Ambassador, and that the views of the United States Government on any question can best be conveyed by myself to you.

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[1] No. 413.

Mr. Hull's mind clings to general principles and shrinks away from practical detail. I propose therefore tomorrow to investigate further with Under Secretary of State what is desired.[2]

[2] A note by Sir H. Wilson of January 23 attached to the copy of this telegram preserved in the Prime Minister's papers (PREM 1/259) read as follows: 'This telegram (which hardly suggests that the U.S. Govt. were disposed to cease its co-operation with us as a result of our caution on the President's new scheme!) was mentioned to me by Sir T. Inskip on leaving Friday's meeting [of the Cabinet Committee on Foreign Policy: see No. 455, note 2 below]. On asking F.O. for a copy of it, we were told that the S. of S. (to whom our request was referred) had *not* mentioned it to the Foreign Policy Committee. It was received at F.O. early Friday morning.' A note on the telegram itself indicated that a copy had been sent to No. 10 Downing St. on January 21 after a telephone request.

No. 452

Mr. Eden to Sir R. Lindsay (Washington)

No. 54 Telegraphic [*F 315/84/10*]

Secret FOREIGN OFFICE, *January 20, 1938, 10.30 p.m.*

Your telegrams Nos. 25[1] and 26.[2]

We will certainly do our best to meet these advances and, as we told Dr. Hornbeck when he was here, we are only too happy to answer as fully as we can questions which are put to us by United States Embassy here.

As regards specific enquiries contained in your telegram No. 25 we have almost ready for presentation a number of notes which we propose to communicate to United States Chargé d'Affaires,[3] copies being subsequently sent to you by bag. This in our view is probably more practical procedure than sending you material for communication to Under-Secretary, seeing that Chargé d'Affaires can always ask us questions if he is in doubt on any point before he passes material on to State Department.

In addition to subjects on which information was requested by Mr. Welles we are thinking of supplying some particulars regarding Japanese activities in South Seas.

[1] See No. 413, note 2.

[2] No. 413.

[3] See *ibid.*, note 4.

No. 453

Sir E. Phipps (Paris) to Mr. Eden (Received January 21)

No. 42 Saving: Telegraphic [*W 860/83/41*]

PARIS, *January 20, 1938*

My telegram No. 764 Saving of December 30th,[1] and my private letter to Sir A. Cadogan of January 4th.[2]

Monsieur Delbos told me last night after dinner at the Elysée that he had heard on excellent authority that 10,000 Italian troops left Naples about a month ago for Spain. He believes Mussolini means to send many more before long.[3]

[1] No. 406.

[2] Not printed. Sir E. Phipps reported that when he had asked M. Léger's opinion of the report in No. 406 he had replied that 'he did not think that Mussolini meant now to send any more troops to Spain'.

[3] A War Office report of January 24 on the supply of arms to Spain during December 1937 and the first half of January 1938 (W 990/83/41) stated that Italian shipments to Spain 'continue on a considerable scale'. However, the transport of 4000 men from Italy had apparently been postponed, and there was no confirmation of a report that a large force had landed at Cadiz on January 15. It was suggested in a letter of January 28 from Rome Chancery to the Southern Department that the 10,000 troops referred to by M. Delbos were those known to have sailed from Naples in December apparently bound for East Africa. Sir M. Lampson was asked in telegram No. 60 of February 3 if he could confirm that these ships had in fact passed the Suez Canal and had not been diverted to Spain.

A note handed to Mr. Eden by M. Delbos at Geneva giving recent information on the despatch of Italian troops and material to Spain is filed at W 1352/83/41.

No. 454

Memorandum by Mr. O'Neill on Germany's plans as regards Austria

[*R 1193/137/3*]

Secret FOREIGN OFFICE, *January 20, 1938*

In a memorandum dated November 18th information then available on the subject of Germany's attitude towards Czechoslovakia and Austria was summarised.[1] The leading statements on the subject of Austria were made in the course of the Nazi Rally at Nuremburg last September to Sir Nevile Henderson by Baron von Neurath and General Göring.[2] The former said, in response to a request to state what were Germany's ultimate ends, 'Austria: that is the first and the last of our aims'. The latter, in the course of giving Sir Nevile Henderson his personal ideas as to what Germany's aims were, said that the 'Anschluss' was a matter of course and inevitable. In spite of these pronouncements, the general upshot of the information summarised in the memorandum referred to was to the effect that German policy in Austria was at present one of 'going slow'. This conclusion was confirmed by information received later, notably by a remark said to have been made by Herr Hitler to Herr von Papen to the effect that it was imperative that peace should be maintained in Austria for another two years; and, less impressively, by a report that Austrian Legion circles in Germany did not believe that the final solution in Austria would take place before 1940, though circumstances might necessitate earlier action.

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[1] Not printed (C 7933/3/18/1937).

[2] See No. 160.

Now, however, in his telegram No. 9 of January 18th,[3] Sir Nevile Henderson, reporting on M. Beck's visit to Berlin in the course of which he had conversations with Herr Hitler, General Göring and Baron von Neurath, says, 'The disquieting feature was the impression M. Beck appears to have received that the Germans expected early developments in Austria which they hoped to be able to exploit.' In view of this it may be useful to summarise such recent information as is in our possession suggesting that German action in Austria will be taken earlier rather than later; although on the whole this information does not yet amount to very much.

(1) Some activity seems to have been going on lately in Hapsburg Legitimist circles in Austria, caused apparently by the presence early in December of the Archduke Otto in Liechtenstein. When told of this General Göring is said to have remarked 'All the better. The sooner, the better. Otto will not be 24 hours in Austria before we occupy the country.'

(2) The French Ambassador, in conversation with the Secretary of State on December 23rd,[4] referred to the visit paid to Berlin by M. Flandin.[5] The latter had seen Herr Hess, Baron von Neurath and General Göring, all of whom had spoken bluntly of Germany's intention to absorb Austria, and had spoken of the matter as though it would not be long delayed. Baron von Neurath in particular had said that Germany would embark upon the Austrian problem at the first favourable opportunity. If there were to be internal trouble in Austria, it would be hard for Germany not to intervene.

(3) It was recently reported that stories were current among Austrian Legionaries in Germany (in contradistinction to the opinions expressed in [para. 1] above) that their long awaited return to their own country might take place as early as the spring of 1938. In the same report an Austrian Nazi leader is reported to have said, about December 19th, that certain elements in the Austrian S.S. were anxious to hasten German action in Austria; and that the only thing at the moment which would compel Germany to take immediate action would be an attempt at restoration.

(4) In connexion with the suggestion that an attempt at a Hapsburg restoration might provide Germany with a pretext for intervention in Austria, a report dated January 14th is of much interest. This report deals with a conversation between Herr von Papen and Herr Hitler in which the latter expressed the view that Otto's arrival in Austria would be welcome to him as he could then temporarily occupy Austria, which 'would remain

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[3] No. 448.

[4] This conversation was reported in despatch No. 2421 to Paris of December 24, 1937 (C 8830/3/18).

[5] See No. 388.

independent, like Danzig'. Herr Hitler went on to suggest that Herr von Papen might find an opportunity, when quite alone with Dr. Schuschnigg, to tell him, as his private opinion, that Germany would do nothing in the event of a restoration, in order to induce in the Austrian Government a sense of false security in which they might make a move of which Germany could take advantage.

The substance of this information has been communicated to Dr. Schuschnigg by Mr. Palairet.[6]

(5) In his despatch No. 1136 of December 31st [*sic*] last[7] Sir Nevile Henderson transmitted a copy of a despatch from Mr. Gainer at Munich reporting that he believed plans to have been drawn up by the Brown House for a Nazi putsch in Vienna in the spring or early summer of 1938. Mr. Gainer's information was that no opposition was expected from Italy to this plan; and that the attitude of Germany would be one of apparent neutrality, tempered by the liberal supply of funds for the Austrian Nazis and the despatch to Austria of the Austrian Legion now training in the Rhineland. Sir Nevile Henderson in his covering despatch reported that similar rumours were circulating in Berlin, and that April or May were mentioned as the probable date.

(6) Further information as to Germany's attitude to Austria is contained in Berlin telegram No. 7 of January 18th.[8] Monsieur Stoyadinovitch told Sir N. Henderson that Herr Hitler, discussing Austria with him,[9] had 'taken the standpoint that Austria was internally German problem' (the phrase is obscure but appears to imply that Austria is a matter for Germany alone to settle, and therefore no concern of, e.g. Italy's) but that there would 'be no trouble unless Vienna adopted a definite anti-Reich policy or an attempt was made to restore the Hapsburgs.'

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[6] Mr. Palairet was instructed to make his communication in an unnumbered telegram of January 14 (R 410/137/3).

[7] No. 400.

[8] Not printed (R 501/430/92).

[9] Cf. No. 448, note 2.

No. 455

Mr. Eden to Sir R. Lindsay (Washington)

No. 58 Telegraphic [*A 2127/64/45*]

Immediate Most Secret FOREIGN OFFICE, *January 21, 1938, 5.55 p.m.*

Following from Prime Minister.

Your telegram No. 63.[1]

Please convey the following message to the President.

I am extremely grateful to the President for consenting to defer making public his proposal for a short while in view of what I had told him of our plans in regard to conversations here with Germany and Italy respectively. I realise that my suggestion must have occasioned him some disappointment and I therefore appreciate all the more his willingness to take account of the considerations I put forward. The few days delay have been most useful to me in enabling me to consider both the President's proposals and their relation to our plans, and I do not feel justified in asking the President to delay the announcement of his scheme any longer.

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[1] No. 447.

As I have already said I warmly welcome the President's initiative, and I will do my best to contribute to the success of his scheme whenever he decides to launch it.[2]

[2] After the impasse in the Eden-Chamberlain talks reached on the evening of January 18 (see No. 449, note 4) there followed meetings of the Cabinet Foreign Policy Committee on January 19 from 5–7.30 p.m., and on January 20, 3–4.30 p.m. Mr. Eden maintained his demand for the acceptance of President Roosevelt's initiative, and found his colleagues, according to Mr. Harvey (*op. cit.*, p. 76), 'noticeably less stiff' at the second meeting. The Foreign Policy Committee met again on January 21 at 11.30 a.m. and 3 p.m. and plans for four telegrams to Washington (the above and Nos. 456–8 below) were approved.

Only the texts of these four telegrams have been kept in the F.O. archives. The Cabinet Office has, however, kindly supplied copies of the minutes of the four meetings of the Foreign Policy Committee, namely F.P. (36) 17th–20th meetings (Cab. 27/622). These merely record that discussion took place about the four telegrams, and that they were given final approval at the 20th meeting. Each set of minutes states that a full summary of the discussion is on record in the Secretary's official file of Cabinet minutes. On this however the Cabinet Office makes the following comment: 'No trace has been found among the records of the Cabinet Office of the summaries of discussions in the Foreign Policy Committee on 19th–21st January 1938: nor has any trace been found of the Secretary's Standard or Official file for this Committee. There is no firm evidence that an official record was made.'

No. 456

Mr. Eden to Sir R. Lindsay (Washington)

No. 59 Telegraphic [*A 2127/64/45*]

Immediate Most Secret FOREIGN OFFICE, *January 21, 1938, 6.45 p.m.*

My immediate preceding telegram.[1]

You will see from my telegram No. 58 that His Majesty's Government agree that the President should go ahead with his scheme as, after taking all considerations into account, they believe that this is the best course to pursue. You will notice, however, that in the message contained in that telegram the Prime Minister avoids promising 'cordial approval and whole-hearted support' which was sought in your telegram No. 38,[2] and that he contents himself with assurance that he will do his best to contribute to success of President's scheme.

Our position is as follows:

(1) In all the circumstances we want the President to take his initiative. Further postponement as result of discouragement from us would risk

[1] No. 455.

[2] No. 422.

interruption of present cordial relations between American Government and His Majesty's Government, to maintenance of which we attach very great importance.

(2) We therefore desire to give the President sufficient friendly encouragement to ensure his taking his initiative at whatever he thinks most appropriate moment.

(3) Whilst welcoming his initiative, we feel that many criticisms can be levelled against substance of his proposals. Some of these are detailed in later paragraphs of this telegram. We are anxious to avoid position in which the world regards us as sharing with President responsibility for his proposals. Lest proposals receive shortly after they are launched a bad reception, we are at the same time anxious that President should not be able then to turn round and say that we had given him no warning but had given him unqualified encouragement.

(4) We wish therefore that he should be aware that we think there are points which can be criticised.

You will be able to judge best how to conduct conversation with President so that this balance is kept. You could keep following considerations in your mind.

While the Dictators and Japan may decide it to be impolitic to reject the scheme out of hand, they are almost sure, in their hearts, to dislike it. Much of the President's draft circular will cause them intense irritation and will dispose them to use every device to obstruct him at every stage.

In general, the President's scheme is very ambitious. His two main points are limitation of armaments and equal access to raw materials. We know what difficulties these questions have presented in the past, and if the President's scheme runs headlong into these obstructions it may prove very difficult to pull it through.

As regards procedure, we are not clear as to the functions and objects of the meeting mentioned in the first paragraph of your telegram No. 40,[3] nor as to the basis on which the President has selected the States named.

I have already in my telegram No. 36[4] indicated two passages in the draft circular which in particular cause us misgiving.

On the matter of the timetable there is one consideration that I would like you to put to the President. The Council of the League is sitting next week, and if his proposal were to be issued during that meeting I have no doubt that the Council would be ready to support it. It may be however that he would consider too pronounced a League backing as likely to embarrass his proposals with other countries not members of the League or with his own public. In any event this is of course a matter of which the President must be sole judge, but I thought that this consideration should be present to his mind.

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[3] No. 424.

[4] No. 431.

No. 457

Mr. Eden to Sir R. Lindsay (Washington)

No. 61 Telegraphic [*A 2127/64/45*]

Immediate Most Secret FOREIGN OFFICE, *January 21, 1938, 7.45 p.m.*

My immediately preceding telegram.[1]

Following is for your own information and guidance and for such use as you think fit.

It is important that the President's attention should be called to the differences in the character of the two topics dealt with in our recent communications. If the character of each is truly appreciated, they will not be found to conflict. The President is contemplating a search for principles upon which a new and better system of international relationships might be built up and nowhere will this conception receive greater support than in this country. But the other topic, that of the possibility of early discussions with Italy and Germany with a view to reducing the most dangerous state of tension in Europe by timely concessions, deals with a concrete and immediate question which canot safely be left over, and which puts us on this side of the Atlantic in acute anxiety.

We feel that the President does not perhaps fully realise the dangers inherent in the present situation, more particularly the risk we run of being confronted with three Great Powers. Serious risk of a hostile Italy must limit the freedom of His Majesty's Government to take action in the Far East, which circumstances may at any moment demand. His Majesty's Government have been deeply gratified by the evidence that the United States Government are prepared, if necessary, to take parallel action in that region, and they are convinced that such parallel action would greatly strengthen the bonds of sympathy and understanding between the two nations. But it is surely clear that if we could be even to some extent reassured as to the security of the Mediterranean this would increase our ability to co-operate with the United States in areas where we are jointly interested.

Our realisation of the need to find a means of reducing this tension does not betoken any indifference or lukewarmness on the subject of the realisation of higher ideals of international relationship, but this immediate question is a topic which simply cannot await what the Under Secretary of State rightly describes (your telegram No. 40)[2] as 'a re-writing of the Covenant'. Particularly is this the case as the problem upon which the President has been reflecting is not only to formulate and agree fundamental principles, but to secure lasting peace by getting them observed in practice. The effort therefore which we urgently need to make to find some prompt means of reducing the strain in Europe, which is becoming intolerable, has for its object a measure of political appeasement without which proposals of a more general character for improving international relationships are likely to fall on deaf ears. It is in effect not a divergence from the President's own proposals but a contribution which should assist their realisation. The future recognition of the Italian conquest of Ethiopia is implicit in the fact that he includes Italy among the nations to which his appeal is addressed, for only on this basis can the adherence of Italy to any resultant pact be seriously expected.

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[1] No. 458 below: telegram No. 61 was despatched before telegram No. 60.

[2] No. 424.

I hope that these arguments, together with those in my immediately preceding telegram, will enable you to put the problem as we see it more truly in its perspective to the President and the Secretary of State, and to correct any false impression the President may have of our attitude or of our motives.

For your own information, conversations with Italy would not in any event begin next week so that there is sufficient time for us to receive any further observations that the President may wish to make. You have discretion to notify this to the President if necessary.

No. 458

Mr. Eden to Sir R. Lindsay (Washington)

No. 60 Telegraphic [*A 2127/64/45*]

Immediate Most Secret FOREIGN OFFICE, *January 21, 1938, 10.20 p.m.*

My immediately preceding telegram.[1]

Following from Prime Minister:

Your telegram No. 63.[2]

Please convey the following message to the President:

I welcome very heartily the desire the President expresses to be kept informed of any features of the negotiations with Germany and Italy which may affect general principles and world appeasement and we shall gladly give him the fullest information on these matters in which we are both so much interested.

With regard to the question of *de jure* recognition of the Italian conquest of Abyssinia, I note that he is concerned about this question being involved in any contemplated Anglo-Italian discussions. I fully appreciate this point which has naturally not been overlooked here. But I would ask the President to consider the following features of a very difficult situation. He realises that the conquest of Ethiopia may have to be recognised at some appropriate time. But I fear it cannot be assumed that whatever our attitude may be the question of recognition will be allowed to remain where it is at this moment. The matter is, in fact, becoming more and more acute as time goes on because other Powers (for example, certain Oslo Powers)[3] are getting restive and wish to regularise *de jure* a situation of fact which, failing such recognition, is merely rendering their relations with the Italian Government more and more difficult.

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[1] No. 456.

[2] No. 447.

[3] Cf. No. 404, note 8.

Again, we have not overlooked the fact that Austria, Hungary, and Switzerland, as well as Germany, have already recognised by formal announcement. Moreover, the following Powers have signed documents, such as Credentials to their own Representatives in Italy, in which the King of Italy is described as Emperor of Ethiopia: Yugoslavia, Yemen, the Holy See, Japan, Albania, Chile, Guatemala, Paraguay, the Dominican Republic, Honduras, Panama and Nicaragua. This action, in the opinion of the Italian Government, amounts to *de jure* recognition and His Majesty's Government are advised that this opinion is legally correct.

In the President's message he expresses the view that recognition should only be dealt with as an integral part of measures for world appeasement. I entirely agree with this view and it is only on the hypothesis that the result of conversations with Italy would be a material advance towards world appeasement in one of the world's danger spots that we contemplate that recognition should be accorded. It may be that we shall find that Italy is not prepared to make the contribution which we should require from her to this end, a contribution which we hope would take the form of a withdrawal of such threatening demonstrations as the despatch of vast bodies of troops to Libya, the fortification of various islands in the Mediterranean, and the constant stirring up of mischief in the Near East by propaganda against this country and France. We should hope perhaps also for her gradual withdrawal from the Spanish conflict. If to all this her attitude proved to be negative, we should not feel called upon to pursue the *de jure* recognition. In any case to miss such an opportunity of relaxing the tension brought about by Italy's activities in the Mediterranean and of establishing relations with that country which might enable us to influence her in the right direction in future would seem to me to be incurring a grave responsibility especially at a time when events in the Far East may at any moment make new demands upon our resources.

But this does not represent the full consequences involved in such action. Italy has been given to understand that the conversations which have already suffered a lengthy postponement are to begin in the near future. If now at the eleventh hour we were to announce to her this further postponement or to seek to exclude from these discussions an essential topic which can alone make them a reality, it would be regarded by Italy as positive and final proof of what she already suspects that no general understanding and appeasement in the Mediterranean and the Red Sea are possible or indeed are desired by us. In these circumstances we should have to contemplate not merely a failure to relax the present tension, not merely a continuation of a situation already dangerous and disquieting, but aggravation of existing enmities and suspicions to a perilous degree. And this would be at a time when the Rome-Berlin axis has attained a solidity which no one would have expected twelve months ago, and when a new relationship is developing between Italy and Japan which twelve months ago was not even foreshadowed.

In case there should be any fear that the question of recognition may be found suddenly to have reached finality, I should explain that according to the plan we have in mind there is no likelihood of this happening. On the contrary, the conversations under contemplation will necessarily have to cover a considerable number of very difficult points raised by both sides and which will inevitably take time. At the appropriate stage, we should propose to bring in the League and to do so in a form which we should hope the President would approve. By that time, we should have worked out the bases of an agreement which both sides would be willing to conclude, but which would undoubtedly have recognition in some form as one of the ingredients.

As regards the possible effects of recognition of Ethiopia upon the question of Manchukuo, the first point to notice is that, up to the present at any rate, Japan has not asked and, so far as we are aware, has no intention of asking for recognition. Apart from this I understand that the President feels that if *de jure* recognition were granted to the former it would, from the juridical point of view, be difficult to save the point as regards Manchukuo in any peace discussions between China and Japan. But according to our information, there are no grounds whatever for thinking that in any such negotiations Japan would pay the least attention to the juridical point of view about Manchukuo.

I have tried in the foregoing to paint for the President the picture as I see it here. From what we know of the attitude of mind both in Germany and Italy I am quite certain that no economic concessions would be sufficient in themselves to satisfy them, although it is certain that if they can be brought to a frame of mind in which they will co-operate in settling political problems they will need help on the economic side.

I believe there may be a chance now to bring them to this frame of mind. At the same time I shall of course give the most careful consideration to any views which the President may express as to the effect of any phase of the negotiations with either Germany or Italy upon Anglo-American relations, the maintenance of which must always be so great a concern of His Majesty's Government. It is above all for that reason that I have been and shall continue to be mindful of any factors which the President may wish to put before me.

No. 459

The Earl of Perth (Rome) to Mr. Eden (Received January 24)

No. 15 Saving: Telegraphic [*R 658/116/67*]

ROME, *January 21, 1938*

My telegram No. 17.[1]

My French colleague saw Count Ciano and also the Austrian and Hungarian Ministers here about the results of the recent Budapest meeting.[2] He ascertained that the *communiqué*[3] published after the meetings had been drafted in Rome before the meeting took place, and that the verbal changes introduced at Budapest were very small. Speaking about the Austrian wish to have inserted something in the *communiqué* about Austrian independence, Count Ciano had remarked that the Budapest meeting was neither the place nor the occasion for any such declaration. Besides, he added, it was a mistake to talk over-much of Austrian independence, to mention it continually made people think that its continuance was doubtful. The question, he said, was at present asleep, and it was much better that it should continue to be so.[4]

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[1] Of January 19, not printed (R 556/116/67).

[2] See No. 432.

[3] See *ibid.*, note 1.

[4] Mr. Nichols minuted on January 25: 'A pretty feeble excuse'. Mr. Ingram added (January 25): 'I am afraid Count Ciano is proving increasingly successful in pulling wool over Austrian eyes.'

No. 460

Sir R. Lindsay (Washington) to Mr. Eden (Received January 23, 9.30 a.m.)

No. 77 Telegraphic [*A 2127/64/45*]

Immediate Very Secret WASHINGTON, *January 22, 1938, 7.12 p.m.*

Your telegrams Nos. 58–61.[1]

Under Secretary of State telephoned to ask if I had any news just as I was about to ask to see him. We had a meeting this morning.

I gave him Prime Minister's message about President's plan and after reading it carefully he expressed a quite decided opinion that President would be pleased with its contents. I then said that message was short and clear and that the President might feel firmly assured that as far as it went Prime Minister and His Majesty's Government would be as good as their word. It would be clear to him from time-table of messages which had been exchanged that decision now announced had not been reached without some discussion. All of this he received very well. In the course of that discussion certain reflections had emerged which I thought well to pass on to him. In the first place I said that you were not clear in your mind what functions and objects were of the Ten Power meeting contemplated in the plan or as to basis on which those governments were to be selected. A completely new diplomatic technique was being used. I admitted that when the plan had been propounded to myself by him though it had been accompanied by explanations my own first impression had been one of great surprise. Possibly though I had not been told so you might have felt this too. I expected that this would be first impression of other governments also to whom President's circular would go.

Mr. Sumner Welles admitted novelty of procedure also probability of surprise. As to choice of the ten governments President would be open to any suggestion you might care to make but he had chosen them as giving good cross section of Europe. There was a Scandinavian Power, two governments adhering to Tripartite Currency Agreement, Switzerland a true neutral, Hungary with its grievances under existing treaties, a government from Little Entente and Turkey with Asiatic connexions. Thus every view[2] would be represented and advocated. As to functions and objects though I repeated my question twice I got nothing but generalities already reported in my telegram No. 40[3] . . . [4] help to European situation through parallel action, and given in only manner open to the President in view of attitude of American public. I did not care to press the matter further.

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[1] Nos. 455–458.

I said that the President's scheme was very ambitious. Disarmament had a tremendous history behind it already and raw materials bid fair to produce an equally vast amount. Did the President realise what an extremely difficult task it was that he was setting his hand to? To this Under Secretary of State's answer was that this was perfectly appreciated by the President.

I repeated your expression of opinion that while German, Italian and Japanese Governments might think it politic not to decline President's invitation his plan would probably make them very angry and they might try to bring about its failure.

Under Secretary of State invited me to embroider on this theme and precise point he put was question to what extent was German army in sympathy with present general tendencies of German policy and to what extent would they be able to influence it if they were not in sympathy with it. I expressed the opinion that Herr Hitler was in pretty complete control though in the past the General Staff had sometimes been able to control him and sometimes had failed. I believed that it was on the whole a stabilising influence but I could not express a definite view for fear of misleading him. He would do well to ask for your opinion in London . . .[4] conversation diverged to question of exchanging diplomatic information—see my telegram No. 79.[5]

I mentioned two points referred to by you about 'inequities' of post-war settlement and about 'free from political involvement'. Former seemed to strike him as reasonable and I should think that the President might be willing to modify it but not the second in regard to which Under Secretary of State spoke to the effect that Japan's attitude was not likely to be affected by wording of a circular and that troops would be necessary for sake of United States public opinion.

I also brought up point of League of Nations to which Under Secretary of State showed polite sympathy but not very much reaction. It was eventually turned down for reasons of time.

At the end of this part of the conversation Under Secretary of State again expressed with some confidence the view that the President would be pleased with Prime Minister's response. He said that probably the President would wish to propound some questions to His Majesty's Government which he would convey to me as soon as possible. The Minister added that he did not expect the President would launch his plan during the present session of Council of the League.

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[2] On the copy of this telegram preserved in the Prime Minister's papers (PREM 1/259) the preceding two words were underlined by Mr. Chamberlain, with his marginal note: 'except that of the people who matter.'

[3] No. 424.

[4] The text was here uncertain.

[5] No. 461 below.

We then talked about *de jure* recognition (see my immediately following telegram).[6]

[6] No. 462 below.

No. 461

Sir R. Lindsay (Washington) to Mr. Eden (Received January 23, 9.30 a.m.)

No. 79 Telegraphic [*F 907/84/10*]

Important Very Secret WASHINGTON, *January 22, 1938, 7.24 p.m.*[1]

Your telegram No. 54[2] crossed my telegram No. 72[3] and I am glad to note that as regards procedure my idea coincided with yours.

I had a word or two with Welles about this today and he confirmed my impression that the State Department would be glad to receive confidential information from you on foreign political situations. He implied that he did not get nearly as much from the United States representatives abroad as he would like. He assured me that he would be very glad to reciprocate with any information we might desire from the State Department. (But please note that it would generally be tactless on our part to ask for information on South American affairs). We agreed that we would talk about this further.

[1] Telegram No. 79 was despatched before telegram No. 78 (No. 462 below).

[2] No. 452.

[3] No. 451.

No. 462

Sir R. Lindsay (Washington) to Mr. Eden (Received January 23, 9.30 a.m.)

No. 78 Telegraphic [*A 2127/64/45*]

Immediate Very Secret WASHINGTON, *January 22, 1938, 8.25 p.m.*

My immediately preceding telegram.[1]

Again after reading Prime Minister's message about *de jure* recognition the Under Secretary of State expresed approval and the view that it would make a good impression on the President. On this topic we had far less discussion because I was unwilling to provoke a series of questions (my immediately preceding telegram last paragraph) and I made little or no use of material furnished in your telegram No. 61[2] though I will bear it in mind for future use.

I think it was a relief to him to find that His Majesty's Government only contemplate grant of recognition as part of general settlement with Italy and therefore not in the immediate future. Very likely it is I who had given him the

[1] No. 460.

[2] No. 457.

erroneous impression (see my telegram No. 52).[3] He said that the President regarded recognition as an unpleasant pill which we should both have to swallow and he wished that we should both swallow it together. His Majesty's Government wished to swallow it in a general settlement with Italy and the President in a general settlement involving world appeasement. I said that for us it was far more of a pistol than a pill and pointed out how much less acute a question it was in the Far East than in Europe. When it came to making terms of peace in the Far East question of recognizing the status of Manchukuo would have to be only one of many and it would fall to be decided according to the then strength of Japan and on the various elements of the Chinese and others that would be opposing her aims and desires.

I also said that if we reached the point where we had general settlement with Italy within our grasp we should probably by then have made marked progress in negotiations with Germany and something approaching a world settlement would be in view. He then asked what your plans were for negotiations with Berlin-Rome axis. Did you contemplate dealing first with Italy and then with Germany? I said that I did not know.

Under Secretary of State said that as regards the Far East it was not only the recognition of Manchukuo that was giving concern but also that of other puppet governments which Japan might set up in any part of China.

[3] No. 436.

No. 463

Sir R. Lindsay (Washington) to Mr. Eden (Received January 25, 9.40 a.m.)

No. 84 Telegraphic [*A 2127/64/45*]

Very Secret WASHINGTON, *January 24, 1938, 5.45 p.m.*

My telegrams Nos. 77 and 78.[1]

Under Secretary of State for Foreign Affairs telephoned to me today to say that the President had been 'deeply gratified by contents of Prime Minister's two messages'. In the course of the next few days Under Secretary of State for Foreign Affairs would have conversations with me about further procedure and probably there would be a further message in writing from the President.

[1] Nos. 460 and 462.

No. 464

Sir N. Henderson (Berlin) to Mr. Eden (Received January 26)

No. 17 Saving: Telegraphic [*C 503/184/18*]

BERLIN, *January 24, 1938*

Your despatch No. 41.[1]

I learn from a reliable German source which should not be quoted that Count Ciano has informed German Government of enquiry made by His Majesty's Ambassador in Rome regarding rumour that Italian Government were thinking of ceding Jubaland to Germany. Count Ciano explained that he wished German Government to be informed of this *démarche* since it proved that His Majesty's Government were not only determined to keep all German colonies but to oppose any effort by a third party to satisfy German colonial aspirations.

The above confirms information I am receiving from other sources to the effect that Italians are impressing on Germans that visit of Lord Halifax and conciliatory statements of British politicians are only a blind. The policy of His Majesty's Government they allege is merely to gain time until British re-armament enabled Great Britain openly to adopt a hostile attitude.

Repeated to Rome No. 4 Saving.

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[1] Not kept in F.O. archives. It apparently informed Sir N. Henderson of the substance of Rome telegram No. 7 of January 7, in which Lord Perth reported that Count Ciano had assured him 'that no Italian Government least of all fascist Government could ever contemplate cession of Jubaland'.

Reports that Italy was planning to cede territory in Jubaland to Germany had been received from various sources. According to an Intelligence Report from the Somaliland Camel Corps, dated December 31, 1937, the first report had been received from native sources on December 1, to the effect that German troops had been seen in the area in November. Despite the official Italian denial reports of a strong German presence in Jubaland continued to reach the Foreign Office, and as Mr. V. Cavendish-Bentinck, a First Secretary in the Egyptian Department, remarked in a minute of January 11, 'I begin to fear that there may really be some mischief brewing there'. It was agreed that attempts to verify these reports should be made.

Enquiries of H.M. representatives in the area, however, did not yield any confirmation either of cession of territory by Italy or of aggressive intentions on the part of Germany, and it was generally agreed by March that German activity in the region was concerned with taking up a concession to export mango wood.

No. 465

Extract from the draft conclusions of the 21st meeting of the Cabinet Committee on Foreign Policy, held at 10, Downing St., S.W.1, on Monday, January 24, 1938, at 2.30 p.m.

[*C 515/184/18*]

Secret

2. THE PRIME MINISTER reminded the Committee that the question on the

Agenda Paper for the Meeting was the next steps towards a general settlement with Germany, and that the documents mentioned on the Agenda were the account of the Lord President's visit to Germany in November last (F.P.(36)39),[1] the record of the conversations during the visit of French Ministers to London last November (F.P.(36)40)[2] and a Note by the Secretary of State for Foreign Affairs covering a Memorandum on the main points requiring an early decision (F.P.(36)41).[3] This latter document was the operative Paper, but before examining it it might be advantageous to the Committee if he was to offer a few observations.

He had been much impressed by the desirability of showing the Germans at the earliest possible moment that we were giving serious consideration to the position arising out of Lord Halifax's visit. Some time had elapsed since that visit, and as time went on the Germans might well become suspicious that we had abandoned our original intention of following up Lord Halifax's conversations. This suspicion might be confirmed and intensified if we entered into conversations with Italy. While he (the Prime Minister) had no special reason for thinking that this was in fact the German point of view, he felt that it was quite possible that this might be the case. Another reason for urgency was that if an announcement had to be made about the opening of the Anglo-Italian conversations, which it would be generally recognised would have to lead up to the question of the recognition of Italian sovereignty over Abyssinia, it would be of considerable assistance for the Government if it were known that we were directing our efforts to secure a general appeasement by conversations not with Italy alone but also with Germany.

In the Foreign Office Memorandum (F.P.(36)41) the first point mentioned for consideration was what territorial concessions, if any, we are prepared to make to Germany, and in the summary on page 3 of the Memorandum the question of the Colonial settlement was also given the first place. He (the Prime Minister) entirely agreed with the way in which the problem was presented in F.P.(36)41. The placing of the Colonial settlement in the forefront did not of course mean that we were prepared to settle the Colonial question independently of the other issues. This had never been the Government's policy, which was that the examination of the Colonial question could only be undertaken as a part and parcel of a general settlement. At the same time it must of course be recognised that the Colonial question was in German eyes the only outstanding problem remaining between the two countries, and having regard to the importance which Germany attached to it, it was right and proper that it should be emphasised in the Foreign Office Memorandum.

Speaking generally, the attitude taken up by Germany in regard to the Colonial question was that they had a moral right for the return of the whole of the Colonies which had belonged to Germany before the War and of which Germany was deprived by the Treaty of Versailles. This general claim was, however, tempered by Germany's recognition of our strategical objections to the return to her of Tanganyika, and she accordingly was disposed to claim that she should receive compensation elsewhere in respect of Tanganyika, and that if necessary such compensation should be carved out of the Colonial possessions of other Powers. At the outset he (the Prime Minister) had been surprised at Germany's apparent readiness to acquiesce in the loss of Tanganyika. It should, however, be remembered that Dr. Schacht had based Germany's claim for the return of her Colonies largely on economic grounds and particularly on Germany's need for self-sufficiency in regard to oils and fats, and he had persuaded himself that by intensive development of certain of her former African possessions Germany could obtain her objective in this respect. Now, oils and fats were produced not in East Africa but in West Africa, and from Dr. Schacht's point of view it would obviously be of much greater advantage to Germany to give up her claim to Tanganyika in return for a substantial enlargement of any territories in West Africa which she might otherwise get back under a Colonial settlement. However the Colonial problem was dealt with, he (the Prime Minister) was convinced that no satisfactory general settlement with Germany was possible which excluded some Colonial concessions, and moreover that it would be necessary for any Colonial settlement to be on a broad and liberal basis. It must be recognised that considerable difficulty must be anticipated in getting over the objections of public opinion in this country, in France and in other countries which now held former German Colonies to the idea that those Colonies, or some of them, should be returned to Germany. It was not only in the United Kingdom that objections would be raised on strategical grounds to Germany receiving back her former Colonies. Moreover, there would inevitably be widespread opposition to proposals involving the handing over from one Power to another of native populations as though they were mere chattels. There were also very real practical difficulties in the way of transferring territories, many of which were now in a very different condition to what they had been 20 years ago, owing, for example, to the heavy expenditure which in the interval had been incurred in their development and to the many and varied vested interests which had grown up.

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[1] No. 336.
[2] No. 354.
[3] No. 409.

The notion which had been developing in his mind was the possibility of a solution by the adoption of an entirely new method of presenting the problem.[4] His suggestion was that the matter should not be treated as a restoration to Germany of territory of which she had been deprived, but the opening of an entirely new chapter in the history of African colonial development to be introduced and accepted by the general agreement of the Powers interested in Africa. The new conception would be based on the complete equality of the Powers concerned and of their all being subjected to certain limitations in regard to the African territories to be administered by them under the scheme. Germany would be brought in to the arrangement by becoming one of the African Colonial Powers in question and by being given certain territories to administer. His idea was that two lines should be drawn across Africa, the northern line running roughly to the south of the Sahara, the Anglo-Egyptian Sudan, Abyssinia and Italian Somaliland, and the southern line running roughly to the south of Portuguese West Africa the Belgian Congo, Tanganyika and Portuguese East Africa. There should be general agreement among the Powers concerned that all the territories between the two lines should be subjected to the proposed new rules and regulations covering the administration of the territories. It was not contemplated that there should be any pooling of the administration but that those Powers which now held the territory, together with Germany who would be given a territory of her own, would each administer their own territories subject to the over-riding rules and regulations to be laid down.

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[4] According to Mr. Chamberlain's diary his views on the colonial question had been crystallised by a meeting with M. Avenol on January 8: see Appendix I to this Volume. In a letter of January 23 to his sister Ida, preserved in the Chamberlain Papers, he wrote that he had 'an idea for further conversations with Germany which does seem to me to open up a hopeful prospect. I haven't revealed it to my colleagues yet but I am going to try it on a few of them tomorrow'. He was also apparently referring to this plan when he wrote in a letter to his sister Hilda on January 30 that he had had a 'scintillation' on the subject of negotiations with Germany. 'It has been accepted promptly & even enthusiastically by all to whom I have broached it and we have sent for Henderson to come & talk it over with us.' See No. 477 below.

If some such plan could be adopted it would get over many of the difficulties and objections which would certainly be raised to an out and out transfer in full sovereignty to Germany of particular territory or territories. Germany would be invited to accept the arrangement, not as a restoration of territories in her view wrongly taken away from her, but as an arrangement voluntarily accepted by all the Powers confronted with similar problems in regard to the administration of territories in tropical Africa and the protection and betterment of the native populations of those territories.

The conditions to be generally observed would include such matters as (a) the preservation of native rights and privileges; (b) freedom throughout the territories of communications; (c) so far as practicable, freedom of trade throughout the area; and (d) undertakings to refrain from the raising of native armies, the construction of submarine bases, or of military aerodromes throughout the area.

If this scheme could be put forward it would not be necessary, in the first instance, to discuss and settle what particular territories should be assigned to Germany, or what compensation (if any) should be given to those Powers which assigned territory to Germany. It would be necessary, in the first instance, to ascertain whether Germany would be prepared in any case to entertain a scheme on these lines. It would be observed that the scheme itself avoided the use of the word Mandate. This, of course, was in any case necessary having regard to German susceptibilities and objection to any arrangements connected in any way with the League of Nations. At the same time it was clear there would have to be some international body to which reports on the administration of the various territories would be submitted and which could hear any complaints in regard to such administration. This body might well consist of representatives of all the Powers interested in the administration of the whole area. These Powers, in addition to Germany and ourselves, would be France, Belgium, Portugal, and possibly Italy.

If some arrangement on these lines was acceptable to the Cabinet, the next step would be to approach Germany and indicate to her that this seemed to us the easiest and best way of solving the problem, having regard to the difficulties of the whole position, and invite her to say whether she would be prepared to entertain the scheme in principle. So far as he (the Prime Minister) could see there was no reason why Germany should reject a scheme on these lines. In essential matters it met the German desiderata and gave them what they so strongly insisted upon, namely, equality of opportunity and treatment.

The proposals should have a good reception in Berlin as it would demonstrate that we had not been idle, and if this was so we could encourage the Germans by telling them that we proposed shortly to submit a complete scheme to them and we hoped that they would then be prepared to collaborate in working out the details.

THE SECRETARY OF STATE FOR FOREIGN AFFAIRS observed that the Prime Minister had not expressly mentioned the relation of any colonial settlement to the general settlement with Germany.

THE PRIME MINISTER said that he thought that he had made his attitude on this point clear at the beginning of his remarks. While this question of a colonial settlement might be taken first, there could be no question of coming to some final conclusion about it apart from the general settlement of which would be one of the items.

THE SECRETARY OF STATE FOR FOREIGN AFFAIRS said that it would be essential to make clear to the Germans at the outset beyond any possibility of doubt that while we were prepared to place the colonial question in the forefront of the discussions, no settlement in regard to that question could be arrived at except as part and parcel of a general arrangement covering our own desiderata.

THE CHANCELLOR OF THE EXCHEQUER favoured the Prime Minister's proposals but pointed out that while there were certain Powers, including France, Belgium and Portugal, which, like ourselves, were interested in the colonial question, there were other Powers which were in no way concerned with that question but which were very interested in a comprehensive settlement with Germany. As regards the colonial question it was clear that under the Prime Minister's proposals Germany stood to gain territory but it was equally clear that other Powers would have to lose territory and a glance at the map of West Africa would show how very extensive were the possessions of Belgium and Portugal in that part of the world. He enquired whether, at an early stage, it was proposed to indicate to Germany the territory to be conceded to her. In any case it was clear that this would be one of the first questions which the Germans would ask.

THE PRIME MINISTER said that in his view this matter should be treated by us very vaguely and at large in the first instance. We should be wise to refuse to give any indication at all of what was contemplated, at all events until the Germans had agreed to accept the scheme in principle.

THE HOME SECRETARY thought that it was very important that we should settle beforehand in our own minds precisely how far we were prepared to go in handing over territory either to Germany or by way of compensation to other Powers.

THE SECRETARY OF STATE FOR FOREIGN AFFAIRS hoped that we should be very careful indeed in what was said to Germany and particularly that we should give Germany no possible excuse for insinuating that we were trying to effect a colonial settlement with her at the expense and to the detriment of other Powers interested in tropical Africa. For example Portugal, with which we had for some time been strenuously endeavouring to improve our relations, was extremely sensitive in regard to this matter and had been very apprehensive that some deal in West Africa at her expense was in contemplation. He, Mr. Eden, had recently given very definite assurances on this point to the Portuguese Government. He himself would like to emphasize to Germany that in any colonial settlement the United Kingdom would be prepared to make a contribution and that France would also make her contribution.

THE HOME SECRETARY pointed out that the procedure now proposed was directly contrary to what had hitherto been always contemplated, namely, that we would never treat the colonial question in isolation and as a separate issue.

THE PRIME MINISTER said that the procedure proposed was not unlike that which had been followed in the recent Irish negotiations.[5] It had there been found desirable to discuss each subject separately while, at the same time, reserving any final decision upon it until the parties were in a position to make a comprehensive general agreement.

THE HOME SECRETARY did not think that the negotiations with Mr. de Valera and those which it was proposed to have with Herr Hitler were really comparable. He was by no means satisfied that the German reactions to the Prime Minister's scheme would be as favourable as the Prime Minister hoped and in this event the position might have been made worse, rather than better.

THE PRIME MINISTER did not agree and could not see why the position would be worsened by the submission in outline of his proposals to Germany for acceptance in principle.

THE HOME SECRETARY observed that we had given Germany the impression that we were prepared to discuss the colonial question and Germany no doubt thought that while it was improbable that she could get back the whole of her former colonies she looked to receiving in full sovereignty certain valuable possessions in tropical Africa. She might regard with considerable suspicion and dislike a return of territory on the kind of terms and conditions contemplated.

THE LORD PRESIDENT OF THE COUNCIL suggested that we should say to

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[5] It was announced on January 12 1938 that representatives of His Majesty's Government and of the Government of Eire would meet to discuss outstanding questions affecting relations between the two countries. Talks took place in London in January, February, and March, and an agreement concerning defence, financial matters, and trade relations was signed on April 25. The text of the agreement was printed in *The Times*, April 26, 1938, p. 11.

Germany that we had given much thought to the problem which was an extremely difficult one for us having regard to the point of view of public opinion in the United Kingdom and throughout the Empire. We have come to the conclusion that the only way in which the matter could be satisfactorily dealt with would be to present it in a form which would not excite great opposition from our own public opinion. Herr Hitler, who was a realist, would fully appreciate our difficulties of this kind.

THE SECRETARY OF STATE FOR THE COLONIES enquired whether any ideas had been formulated as to our desiderata in a 'general settlement'. There were no doubt certain things, including a colonial settlement, which Germany wanted but it was imperative that she should in turn give some indication of what she would be prepared to contribute towards such a settlement, for example in regard to air disarmament and the position in Central Europe, as to which definite assurances would be necessary.

THE HOME SECRETARY thought that it was objectionable before the opening of any formal Conference with Germany to pick out this item of colonies and try to reach a provisional settlement in regard to it. This was not what had been done in the Irish negotiations where all the questions had been discussed in the Conference itself.

THE PRIME MINISTER observed that His Majesty's Ambassador in Berlin was very strongly of opinion that we should put the colonial question in the forefront of any discussions with Germany.[6]

THE SECRETARY OF STATE FOR FOREIGN AFFAIRS agreed that this was so. Sir Nevile Henderson went even further and advised that we should try to obtain a colonial settlement with Germany in the hope that Germany would subsequently meet us in regard to our own desiderata.

THE CHANCELLOR OF THE EXCHEQUER thought that this would be a great mistake. The procedure should be as the Prime Minister had indicated, no settlement on the colonial question apart from a general comprehensive settlement.

THE PRIME MINISTER said that he was anxious to get the Germans interested in a general settlement and that he was convinced that the opening of the discussions on the colonial question would be the most hopeful way of securing this.

THE SECRETARY OF STATE FOR FOREIGN AFFAIRS assumed that in any event we should not inform Germany that we were prepared to make colonial concessions until the Conference had made substantial progress and we knew to what extent our own desiderata would be satisfied.

THE HOME SECRETARY thought that, in this matter, the Government were substantially ahead of public opinion in the country.

THE SECRETARY OF STATE FOR THE COLONIES thought that intelligent public opinion was prepared for colonial concessions in West Africa but nowhere else. Of course any concessions would be strongly opposed by the die-hards.

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[6] Cf. Nos. 362 and 391.

THE PRIME MINISTER doubted whether public opinion had formed any very definite conclusion except that it wanted the preservation of peace.

THE SECRETARY OF STATE FOR THE COLONIES warned the Committee that the whole of the coloured world, including tropical Africa, the West Indies and parts of Asia, would be greatly disturbed and would intensely resent the idea of our handing over native populations to another Power. It would, of course, be necessary to defend such a proceeding by arguing that in no other way could the peace of the world be preserved. He was sure that the longer we waited the higher was the price that we should have to pay and that the granting to Germany of some concessions now in West Africa would heal a running sore and effect a permanent settlement.

THE HOME SECRETARY dissented from this view and was convinced that Germany would never be satisfied unless she received back the whole of her former colonial possessions.

THE SECRETARY OF STATE FOR FOREIGN AFFAIRS hoped that there would not be too much reference to West Africa. In his view it was most improbable that a settlement with Germany could be effected by handing over to her Togoland and the Cameroons.

THE SECRETARY OF STATE FOR THE COLONIES pointed out that substantially larger concessions could be made to Germany in West Africa than was represented by the Cameroons and Togoland. For example, the King of the Belgians, who had given considerable thought to the matter, had told him that while Belgium could not possibly contemplate the return of Germany of Ruanda-Urundi, she might be prepared to make some contribution in West Africa. As regards the question of finding compensation for France, it might be necessary for us to give to France a slice of northern Gold Coast territory. Also we could give up to Germany some territory in the Adamawa Province of Northern Nigeria. He was, however, convinced that it would be out of the question to transfer Sierra Leone and the Gambia, both ancient British possessions the inhabitants of which would most violently object to any such proposal.

THE MINISTER FOR CO-ORDINATION OF DEFENCE enquired whether Germany had ever formulated a demand for the return of all her former Colonies.

THE SECRETARY OF STATE FOR FOREIGN AFFAIRS said that there had been different statements by various German authorities. Herr Hitler himself had never formulated any such demand, but other Nazi leaders had made various claims. It would be most unwise of us to think that we could get away with this question on the backs of other Powers.

THE LORD PRESIDENT OF THE COUNCIL was disposed to agree with the Home Secretary and could not see how we could produce in West Africa an equivalent to Tanganyika.

THE SECRETARY OF STATE FOR THE COLONIES agreed that it would not be possible to contemplate the transfer to Germany of the old British Colonies in West Africa, and that an attempt to do so might well result in serious native risings.

THE HOME SECRETARY observed that considerations of this kind seemed to him to point to there being very great difficulties in reaching any agreement on the basis of the Prime Minister's scheme.

The Secretary of State for the Colonies warned the Committee that it was not possible to measure the value of concessions by the mere size of the territories to be handed over. Other factors had to be taken into consideration, such, for example, as the size of the population, the possibility of development, climatic etc. conditions. For example, large areas in French Equatorial Africa consisted of dense tropical forest, were very unhealthy, and owing to climatic and other conditions were practically uninhabited; whereas areas very much smaller in size in British hands were healthy and well-developed and supported large and prosperous populations. From the point of view of value these areas were infinitely more valuable than the vast expanses of uninhabitable territory in French hands. It must be recognised that apart from small parts of Kenya the whole of tropical Africa (including Tanganyika) was a black-man's and not a white-man's country. If Germany wanted territory on which to settle surplus German population the only suitable African territory would be South West Africa.

The Secretary of State for Dominion Affairs pointed out that the Government of the Union of South Africa had always taken up a *non-possumus* attitude in regard to the possibility of the return to Germany of South West Africa. Indeed, at one time there had been some sort of an agreement reached between the Union Government and the German Government under which in effect Germany was to forego her claims in return for the German inhabitants being allowed the use of their own language, their own schools and churches. It was possible that Herr Hitler would now like to go back on this agreement, but it might be taken for granted that the Union Government would never consent to give up the territory. They looked forward to the time when their mandate over it would cease and it would be incorporated in and become part of the Union of South Africa.

The Secretary of State for the Colonies observed that opinion in South Africa was also very strong in regard to any giving up of Tanganyika, being of course concerned at the threat to the communications with South Africa if Tanganyika was in potentially hostile hands. The position of Kenya would be an appalling one if Germany recovered Tanganyika, as Kenya, with a population of 3,000,000 natives and some 20,000 whites, would be wedged between Italian Abyssinia and German Tanganyika.

The Prime Minister pointed out that in any case his plan would exclude South West Africa, as clearly this was not a territory suitable for the kind of administration contemplated in the plan.

The Secretary of State for Dominion Affairs said that he personally favoured the plan suggested by the Prime Minister, provided that the Southern line was drawn North of South West Africa. He was, however, disposed to agree with the Home Secretary that the Germans would not look at the plan, and thought that in that event we ought to be prepared to give the whole question further consideration. But a settlement on the basis of the Prime Minister's proposals would be very much easier for us and probably also for the French than any other scheme. It was not quite true to say that the Government of the Union of South Africa had taken a very decided view about Tanganyika, though Mr. Pirow[7] had stated that he himself was opposed to the return of Tanganyika to Germany. When the question was considered at the Imperial Conference of 1937,[8] General Hertzog[9] had expressed the following views:

> 'As to the other former German Colonies, the Union Government did not wish to interfere in the business of the United Kingdom if it were decided that some of these should be restored. He had never considered that Germany had any claim to the restoration of all her colonies, but he felt that she had a claim to a certain partial restoration. If any such partial restoration could be carried out without involving the transfer of Tanganyika Territory, he felt that this would be in the interests of the Union. But if Germany could be pacified and peace secured for Europe and the world by the restitution of Tanganyika, the Union would not stand in the way if the United Kingdom felt this course to be advisable. This was the considered view of himself and of his colleagues.'
> (See E.(P.D.)(37) 11th Meeting, pages 10 and 11).

He (Mr. MacDonald) was confident that it should be possible to secure the agreement of the Government of the Union of South Africa to a scheme on the lines of that suggested by the Prime Minister.

THE SECRETARY OF STATE FOR THE COLONIES said that at a later stage of the Conference he had discussed this matter with General Hertzog who had assured him that in speaking at the Meeting on the 2nd June, 1937, he had not meant to refer to the whole of Tanganyika but only to certain Southern parts of it bordering on Portuguese territory.

THE PRIME MINISTER observed that one of the advantages of his scheme was that there would be no necessity to stick rigidly to the existing political boundaries which often had little or no relation to racial, economic and other considerations. He agreed that the Anglo-Egyptian Sudan, British and Italian Somaliland and Abyssinia would lie outside the area comprised between his two lines.

THE SECRETARY OF STATE FOR FOREIGN AFFAIRS enquired what equivalent we should be prepared to offer if the concession to Germany of Tanganyika was ruled out.

THE PRIME MINISTER thought that it would be unwise at the present juncture to attempt to lay down with precision what territory might be given up to Germany.

THE SECRETARY OF STATE FOR THE COLONIES explained to the Committee the position in West Africa by reference to an up-to-date map. As regards Nigeria, while it was most important to maintain intact and under British rule the province of Bornu with its Moslem population, it would be possible to surrender to Germany much of the Adamawa province, which was mainly inhabited by Negro pagans and which the Germans could readily develop from the Cameroons if that territory was returned to them.

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[7] Minister of Defence in the Union of South Africa.

[8] Cf. Volume XVIII, No. 575.

[9] Prime Minister of the Union of South Africa.

THE CHANCELLOR OF THE EXCHEQUER enquired why it was thought that Germany would reject the Prime Minister's plan. He himself thought that Germany would be quite ready to discuss proposals on these lines which gave her most of what she was demanding. It was true that she might object to the conditions subject to which she would have to administer her African territories, but the reply would be that these conditions would apply also to all other Powers administering territories in the area.

THE LORD PRESIDENT OF THE COUNCIL thought that the Germans would say that we had only thought of this scheme of administration with its limitations and restrictions after we had come to the conclusion that we could not resist Germany's claim for colonies. We had never suggested the institution of such a claim during the long period when we and Powers other than Germany enjoyed full sovereignty over the areas in question.

THE SECRETARY OF STATE FOR THE COLONIES pointed out that arrangements very similar to those now proposed had been laid down in the Congo Basin Treaties which had, of course, been negotiated in Berlin.

THE HOME SECRETARY again repeated his view that Germany would react badly to the proposals. He urged that all the subjects, including the colonial question, should be discussed in the Conference itself, and he was very apprehensive at any idea of taking this colonial question by itself and attempting to deal with it outside the Conference. He believed that we should do better with the Germans if we could get them into discussion and negotiation over the whole field.

THE MINISTER FOR CO-ORDINATION OF DEFENCE did not at all like the idea of putting up the Prime Minister's plan to the Germans, and if the Germans rejected the plan then to say to them that we would give the matter further consideration, unless we had made up our minds in advance what we were prepared to discuss with them as an alternative proposal.

THE LORD PRESIDENT OF THE COUNCIL enquired whether this meant that Sir Thomas Inskip would say that unless Germany agreed to accept the Prime Minister's plan we should say that the negotiations must be regarded as at an end.

THE MINISTER FOR CO-ORDINATION OF DEFENCE said that he did not think that it was necessary to come to any final conclusion now as to the action that might have to be taken in such an event, provided we were clear about what we could offer in the event of the Prime Minister's plans being refused.

THE PRIME MINISTER enquired as to the best way of presenting the proposals to the Germans. Might it not be desirable to invite H.M. Ambassador in Berlin to London for purposes of discussion and consultation.

THE SECRETARY OF STATE FOR FOREIGN AFFAIRS thought that the Germans were very likely to say that they were prepared to discuss the Prime Minister's plan but they would wish to know in advance precisely what territory they were going to receive.

THE PRIME MINISTER said that he had not contemplated going further at the outset of the discussions than enquiring whether Germany was prepared to accept the plan in principle. He certainly would not inform the Germans at this preliminary stage of what territorial concessions it was proposed to make to them.

THE SECRETARY OF STATE FOR FOREIGN AFFAIRS agreed, but thought that it was imperative that the Government should have made up their own minds as to the quantum that they were prepared to concede before the first step in the discussions with Germany was taken.

THE PRIME MINISTER indicated his agreement with this view.

THE MINISTER FOR CO-ORDINATION OF DEFENCE suggested that the question whether it was right to hand back her former Colonies to Germany should be considered on its merits. Assuming a division of Africa among the European Powers, could the exclusion of Germany be justified? If looked at solely from the strategical point of view the case against handing back could be powerfully argued, but Germany could no doubt make out a case for handing back based on moral considerations.

THE SECRETARY OF STATE FOR THE COLONIES pointed out that the territories in question had now experienced 20 years of British administrative and educational etc. methods and practices, the use of the English language and other substantial changes. After the Napoleonic Wars we had handed back to Holland at once the Colonies which we decided not to retain and the position then was far simpler and easier than the position was to-day. A very strong case based on moral grounds could be urged against any handing back, but he himself had always held that Germany must have some Colony where she could fly her flag and where her scientists could carry on research and other similar work.

THE LORD PRESIDENT OF THE COUNCIL thought that on balance it was more important to the world at large that war should be avoided than that the natives in the territories to be transferred should remain permanently in the position they had been in during the last 20 years.

THE MINISTER FOR CO-ORDINATION OF DEFENCE agreed but doubted whether public opinion which was fluid and ill informed would take quite the same view.

THE SECRETARY OF STATE FOR DOMINION AFFAIRS thought that it would be much easier to get public opinion to accept transfer to Germany under the Prime Minister's scheme than if a simple transfer with full and unrestricted sovereign rights was in question. The fact that all the Powers interested in tropical Africa would in future be subjected to rules and regulations designed for the protection and betterment of the natives might well cause pro native public opinion to favour the scheme.

THE SECRETARY OF STATE FOR THE COLONIES observed that while Germany would not accept any control such as the Mandates Commission of the League, she would probably not object to the general supervision of a body composed solely of representatives of African Colonial Powers.

THE LORD PRESIDENT OF THE COUNCIL urged that before opening negotiations we should make up our minds quite definitely what we were prepared to do and how far to go in certain events.

The Prime Minister did not think it necessary to reach any definite or final conclusions beyond recognising that we could not hope to reach a Colonial settlement with Germany at the expense of some other Power. It must be realised that there would have to be a great deal of hard bargaining before an acceptable solution was reached.

The Home Secretary asked whether it would not be possible to include other items—such as quantitative limitation of air armaments, in the discussions preparatory for the Conference and so avoid the criticism that one topic—Colonies—was being dealt with outside and in advance of the Conference.

The Secretary of State for Foreign Affairs pointed out that in any case there would have to be much preparatory work done before the Conference opened—this indeed would be the normal procedure

The Prime Minister said that he was very anxious that time should not be lost and that any suspicions there might be, removed. He saw no objection to a list of subjects being prepared which the Germans could be told we were ready to discuss.

The Home Secretary saw great advantage in such a procedure. The Germans might also be invited to furnish us with any subjects they wished to have examined.

The Lord President of the Council agreed with the Home Secretary. Could not it be suggested to Sir N. Henderson that Germany should be examining our *desiderata* simultaneously with our examination of the Colonial issue. He thought the Prime Minister was right in thinking that any Colonial settlement would have to be on liberal lines, and he would much regret, if, in the end, we only found it possible to contribute some strips of territory which Germany rejected as . . .[10] inadequate.

The Secretary of State for the Colonies warned the Committee of the great danger of making an over-generous offer to Germany, especially in the early stages of the discussions.

The Secretary of State for Foreign Affairs said that he was concerned at the prospect of having to ask France to give up practically the whole of her Colonial war gains, and frankly he did not at present see any equivalent British contribution.

The Lord Chancellor observed that France had recovered Alsace Lorraine.

The Secretary of State for the Colonies thought that probably our strips in West Africa would be of considerably greater value to Germany than vast areas of France's unhealthy and uninhabited West African territories. He would be prepared to compensate France in the New Hebrides by retiring from the Condominium and possibly in the last resort by Dominica.

The Chancellor of the Exchequer was impressed with the Home Secretary's point of view. Could we not say to Germany that a general settlement must include our *desiderata* A, B and C, and also a Colonial agreement, we should like your views on A, B and C; as regards the Colonial question our proposal is as suggested by the Prime Minister.

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[10] The text was here uncertain.

THE HOME SECRETARY said that he would tell the Germans that we were anxious for a Conference and recognised that in order to be a success it must be carefully thought out and prepared in advance—adding that we had formulated certain ideas on the various questions including the Colonial question and would like to have the Germans' ideas on them. In short, he wished the normal procedure to be followed in the preparation of an international conference to be followed on the present occasion.

THE PRIME MINISTER suggested that perhaps the best way to ensure progress would be for a draft telegram to Sir N. Henderson to be prepared setting out the proposed scheme and asking for his views upon it, adding that before coming to any final conclusion the Committee would like him to come to London to consult with them on the matter.

The Committee agreed:

> To invite the Secretary of State for Foreign Affairs to arrange for the preparation of a draft telegram to Sir N. Henderson on the lines suggested by the Prime Minister.[11]

THE SECRETARY OF STATE FOR FOREIGN AFFAIRS said that when at Geneva he was certain to be asked by the French how this Colonial matter stood, and he proposed to inform them that we had been examining the problem and to inquire whether they had done the same. He would, however, make no mention to the French of the Prime Minister's plan.

This was agreed to.

THE SECRETARY OF STATE FOR DOMINION AFFAIRS observed that under the Prime Minister's plan the southern line would pass north of Southern Rhodesia which, being a self-governing territory, must in any case fall outside the proposed 'administrative area'. A Commission was on the point of going out to inquire into the future relationship etc. of the Rhodesias, and Southern Rhodesia was looking forward to the Commission reporting in favour of the amalgamation of Southern and Northern Rhodesia. The possibility of such amalgamation should be kept open. If by any chance the southern line should get settled while the Commission was sitting in Africa, we might be open to a charge of breach of faith. In these circumstances was it desirable that some warning of what was contemplated should be conveyed to the Commission?

THE PRIME MINISTER expressed the view that it was unlikely that any difficulty would be created whether Northern Rhodesia fell within or without the suggested 'area'. He was therefore of opinion that no action need be taken in regard to the matter.

THE SECRETARY OF STATE FOR THE COLONIES hoped that Northern Rhodesia would be excluded from the area.

THE MINISTER FOR CO-ORDINATION OF DEFENCE thought that there would be advantages in bringing Italy into the proposed plan. Our position in

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[11] See No. 468 below.

Kenya would be greatly improved if Italy agreed not to recruit native troops in Abyssinia.

The Home Secretary hoped that this matter would be dealt with in the Anglo-Italian conversations. We could not bring Abyssinia into the 'area' without also bringing in the Anglo-Egyptian Sudan.

The Lord President of the Council suggested that the Secretary of State for the Colonies should circulate a Memorandum to the Committee with a map showing the kind of adjustments in British West African territories which might have to be contemplated.

The Secretary of State for the Colonies thought that it would be dangerous to attempt such an appreciation, which would in any case necessitate consultation with the local Governors and might well give rise to rumours, excitement and unrest.

The Prime Minister agreed, that as yet we had not reached the stage of requiring detailed information of this character.

The Chancellor of the Exchequer inquired what were our *desiderata* in regard to the 'general settlement'. He hoped that this did not include Germany's return to the League as he thought that would be a hopeless proposal.

The Secretary of State for Foreign Affairs agreed that the return to the League might be put last on our list of requirements. Other items included Air Disarmament, Western Pact and Central and Eastern Europe.

The Committee agreed:

(1) To request the Secretary of State for Foreign Affairs to circulate to the Committee a Memorandum prepared in the Foreign Office on Germany's Contribution towards General Appeasement, together with Sir N. Henderson's views on the subject.

(2) To request the Secretary of State for Foreign Affairs to arrange for the circulation to the Committee of a summarised revise of the Memorandum mentioned in (1) above.

(3) To take note that a Memorandum by the Secretary of State for Air on Air Disarmament would shortly be ready for circulation to the Committee.

No. 466

Extract[1] from Cabinet Conclusions No. 1(38) of January 24, 1938

1. The Cabinet met as a matter of urgency to consider the results of discussions at the Cabinet Committee on Foreign Policy during the preceding week concerning our policy towards the countries mentioned in the margin.[2]

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[1] This copy of the Conclusions has been supplied from the Cabinet Office archives (Cab. 23/92) as no complete copy has been found in the F.O. archives.

[2] These were the United States, Italy, and Germany.

The Prime Minister apologised for the short notice at which the Cabinet had been assembled. He said that the Cabinet Committee on Foreign Policy had held several Meetings during the preceding week, which had resulted in the despatch of important telegrams to Washington.[3] In the ordinary way a verbal report would have been made to the Cabinet by the Foreign Secretary at the regular weekly Meeting on Wednesday next.[4] On Tuesday, however, the Foreign Secretary had to leave London for a Meeting of the Council of the League of Nations at Geneva.[5] It had therefore been necessary to summon the present Meeting.

The Secretary of State for Foreign Affairs said that the story was so complicated that he had prepared a *précis*, which he read to the Cabinet. *(A copy of this is on record in the Secretary's standard file of Cabinet proceedings.)*[6]

The Prime Minister then made a statement to the Cabinet supplementing the Foreign Secretary's remarks.

(A copy of this is also on record in the Secretary's standard file.)[6]

After some discussion the Cabinet agreed

(a) To approve the course adopted by the Cabinet Committee on Foreign Policy:

(b) That the Secretary of State for Foreign Affairs should take advantage of the presence of the French Minister of Foreign Affairs at Geneva to inform him that we had not yet made any progress in the conversations with the Italian Government but that His Majesty's Government had been considering the kind of settlement they might hope to obtain in return for recognition of the Italian position in Abyssinia, and should ascertain the views of the French Government on the subject. He should have in mind the desirability of inducing M. Delbos to make an announcement of the French Government's approval of Anglo-Italian conversations whenever they are opened:

(c) That no useful purpose was likely to be served by a discussion of recognition of the Italian position in Abyssinia at the forthcoming Meeting of the Council of the League of Nations, and if any such discussion was contemplated the Secretary of State for Foreign Affairs should endeavour to discourage it:

(d) That the Secretary of State for Dominion Affairs, in consultation with the Foreign Office, should prepare the draft of a telegram for despatch to the Dominions after the Prime Minister's approval had been obtained:

(e) That as soon as President Roosevelt's reaction to the telegrams sent to Washington on January 21st was known, the question should be taken up of further progress in the Italian conversations:

(f) That it was desirable, if practicable, to discontinue the use of the term *de jure* recognition of the Italian occupation of Abyssinia, and to substitute some phrase which would simply imply a recognition of an international change, e.g., 'recognition for international purposes of the conquest of Abyssinia', or 'recognition of the Italian position in Ethiopia'; and that both the Secretary of State for Foreign Affairs and the Secretary of State for Dominion Affairs should have this in mind: for example, in drafting the despatch to the Dominions:

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[3] See Nos. 455–458.

[4] i.e. January 26.

[5] Cf. No. 450, note 1.

[6] See Annex to this document.

(g) To take note that the Cabinet Committee on Foreign Policy had met the same afternoon[7] to consider the proposed conversations with the German Government and had made some progress.[8]

ANNEX TO No. 466

Secret addendum to Cabinet No. 1(38)

I. The Secretary of State for Foreign Affairs gave the following Summary of events leading up to the recent proceedings of the Cabinet Committee on Foreign Policy as well as the discussions at the Committee.

On the evening of January 11th Mr. Sumner Welles, Under Secretary of State, called on Sir R. Lindsay by direction of the President of the U.S.A. to convey a direct and very secret message from Mr. Roosevelt to the Prime Minister. The President, 'being deeply impressed by the progressive deterioration of the international situation', proposed to take an initiative along the only lines which, in the state of public opinion in the U.S.A., are open to him. His initiative was designed to work 'as an action by the U.S. Government parallel to the efforts which H.M.G. in the United Kingdom are making with the Central Powers.' The President explained that he was communicating his scheme to H.M.G. alone and stipulated that no other Government should be informed of its nature or even of its existence. He added that he would only proceed with this scheme if, not later than January 17th (i.e. six days after the scheme was communicated to Sir R. Lindsay), he received an assurance from the Prime Minister that it would meet with 'the cordial approval and wholehearted support of H.M.G.' In that event the President planned on January 20th to warn confidentially the Governments of France, Germany and Italy, as well as ourselves, of the general lines of his scheme and on January 22nd he intended to announce his plans to the Diplomatic Corps at Washington, whom he would summon to the White House for the purpose.

This is the plan. The President begins with a preamble of four paragraphs explaining that he has been led to take this initiative because he feels that the standard of conduct between nations has been deteriorating and that rearmament cannot be expected to prevent the conflagration towards which the world seems to be drifting. For these reasons the President suggests that 'all Governments at an early date strive to reach a unanimous agreement upon the following matters:

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[7] See No. 465.

[8] An extract from Cabinet Conclusions No. 2(38) of January 26, reads as follows. '2. Viscount Cranborne, who was present to represent the Secretary of State for Foreign Affairs, said that he had nothing to add to the information given to the Cabinet at the Meeting referred to in the margin on the general situation [i.e. Cabinet 1(38)]. He had spoken that morning on the telephone to the Secretary of State, who had informed him that his conversations with the French Government had gone well and that he was sending a telegram which he thought was likely to give satisfaction to his colleagues.' See No. 473 below.

(1) Essential and fundamental principles which should be observed in international relations.
(2) Most effective methods for achieving limitation and reduction of armaments.
(3) Methods through which all peoples may obtain the right to have access upon equal and effective terms to raw materials and other elements necessary for their economic life.
(4) In the unhappy event of war, rights and obligations of Governments both on land and at sea except in so far as in the case of certain nations they may be determined by existing international agreement; the laws and customs of warfare whose observance neutrals may be entitled to require.'

The President's message finishes with a reference to two matters, viz. inequities of post-war settlement and the American attitude to international affairs, to which special attention should perhaps be drawn. As regards the inequities, the President says 'it is possible that before the foundations of a lasting peace can be secured, international adjustments of various kinds must be found for the pacification of the universe in order to remove such inequities as may exist by reason of the nature of certain settlements reached during termination of the Great War.' As regards the U.S. attitude, he says 'the traditional policy of freedom from political involvement which the U.S. Government has maintained and will maintain is well-known.' It is added, however, that, if the President's plan is found acceptable, he 'gladly pledges the co-operation of the U.S. Government in seeking the attainment of the objectives sought.'

The President's idea, Mr. Welles said, is that, if he receives a certain measure of support for his plan, he will then, not summon a world conference, but invite certain governments to send representatives to Washington to negotiate on the points mentioned in his draft. These Governments are to be Sweden, the Netherlands, Belgium, Switzerland, Hungary, Jugoslavia, Turkey and three Latin-American governments. His hope, Mr. Welles explained, was that, while these negotiations are proceeding in Washington, their initiation will give an impulse to the negotiations of H.M.G. and France with Germany and Italy and the President will desire H.M.G. to exchange full information on the course of their separate negotiations.

In forwarding the scheme Sir R. Lindsay expressed the view that the President's plan was a genuine effort to relax the tension of the world and that if H.M.G. were held to blame by the U.S. Government for killing the scheme before it was propounded by withholding their support, this would annul all the progress made in Anglo-American co-operation during the last two years. He, therefore, very earnestly urged acceptance.

The telegrams on this subject from Sir R. Lindsay were received in the Foreign Office on Wednesday, the 12th January. The following day, Thursday, the 13th January, the Prime Minister came up to London and on his instructions, a reply was sent to Washington. In his reply, the Prime Minister began by expressing the highest appreciation of the mark of confidence which the President had shown in consulting him in regard to his plan. He went on then to explain the position of our own efforts to reach a general appeasement by improving relations with the Italian and German Governments. The Prime Minister explained that in each case we were adopting the same basis—namely, that all parties can and should make their contribution. In the case of Italy, the Prime Minister said that 'His Majesty's Government would be prepared, for their part, if possible with the authority of the League of Nations to recognise *de jure* the Italian conquest of Abyssinia . . . if they found that the Italian Government on their side were ready to give evidence of their desire to contribute to the restoration of confidence and friendly relations.' The Prime Minister mentioned these facts so that the President might consider whether there was not a risk of his proposal cutting across our efforts and whether it would not be wiser to hold his hand for a short time and see what progress we could make in beginning to tackle some of the problems piecemeal. 'This would not of course prejudice the larger effort that the President might be willing to make later on.' It was pointed out that these were only the Prime Minister's preliminary reflections and that he held himself in readiness to consider immediately any observations which the President might wish to make. At the same time it was pointed out to Sir R. Lindsay that there were certain phrases in the President's draft plan which caused grave misgivings—for example, the two phrases to which attention has been drawn above (i) about the traditional American policy of 'freedom from political involvements,' and (ii) about the removal of 'such inequities as may exist by reason of the nature of certain settlements reached at the termination of the Great War.'

On Saturday, the 15th January, we heard from Sir R. Lindsay that he had passed the Prime Minister's message on to the President and that the President would send the Prime Minister a written reply on Monday, January 17th. The Under-Secretary had told the Ambassador that the President would, in his reply, indicate his willingness to postpone his scheme for a while, but that Mr. Roosevelt felt a little disappointed. By the time of the receipt of this telegram on Saturday evening I had returned to London and seen this correspondence. I accordingly sent a telegram at once to Sir R. Lindsay, saying that if the President was registering disappointment at finding a negative attitude on our part, I was convinced that that was not the impression which the Prime Minister intended to convey. I added that I was going (to Chequers) on Sunday, the 16th January, to consult the Prime Minister, and the President would surely understand our difficulties owing to the very short time given us for considering his far reaching proposals. On

Monday, the 17th January, the President's reply was handed to Sir R. Lindsay and it was received in London on the following morning. In the President's reply he began by saying that he greatly appreciated the very frank and friendly spirit in which the Prime Minister had replied to his message. In view of the considerations the Prime Minister had advanced, he said 'I am willing to agree to defer making the proposal I had intended to make for a short while, as he (the Prime Minister) suggests, in order that His Majesty's Government may see what progress they can make in beginning the direct negotiations they are contemplating.' He continued that he was concerned by the statement that His Majesty's Government, under certain contingencies, might recognise *de jure* the Italian conquest of Abyssinia, in particular for two reasons:

1. because of the 'harmful effect' that it might have 'upon the course of Japan in the Far East and upon the nature of the peace terms which Japan might demand from China,' and
2. because 'a surrender by H.M.G. of principle of non-recognition at this time would have a serious effect upon public opinion in the U.S.A.'

He added that U.S. public opinion 'will only support the Government in measures of specific co-operation with other peace loving nations of the world, provided these measures of co-operation are destined to re-establish and maintain the principles of international law and morality.' Finally, the President asked to be kept informed of developments of our direct negotiations with Germany and Italy. In sending this message from the President, Sir R. Lindsay pointed out that the President did not regard the door as being closed, but that he (the Ambassador) had been impressed at receiving this warning in regard to *de jure* recognition from the President and Mr. Hull, particularly as the Under Secretary's commentary on it delivered on the President's instructions was even more emphatic than the actual message. Sir R. Lindsay reported that 'the President felt that opinion in the United States was crystallising even then favourably in the direction he desired. He was confident that *de jure* recognition of the Ethiopian situation given in wrong conditions would turn it right back . . . It would rouse a feeling of disgust; would revive and multiply all fear of pulling the chestnuts out of the fire; and it would be represented as a corrupt bargain completed in Europe at the expense of interests in the Far East in which the United States were intimately concerned . . . He said that in order to avoid unfortunate repercussions here solution would have to be found on some collective basis by which it would be possible to draw actual recognition into harmony with normal and moral international procedure.'

The President's message was received on the morning of Tuesday, the 18th January, and was discussed between myself and the Prime Minister on that afternoon. As a result, the Prime Minister decided to call a meeting of the Foreign Policy Committee for the next day. Meetings of the Committee were held on Wednesday, the 19th January, afternoon; Thursday, the 20th January, afternoon; and Friday the 21st January, morning and afternoon.

As a result of these discussions two messages were sent on Friday evening, January 21st, to Washington from the Prime Minister. The first, after expressing appreciation for the few day's delay which had been most useful for further considering the President's proposals, stated that the Prime Minister did not feel 'justified in asking the President to delay the announcement of his scheme any longer.' The Prime Minister added that he warmly welcomed the President's initiative and would do his best to contribute to the success of his scheme, whenever the President decided to launch it. For the Ambassador's guidance we explained to him that our position was as follows:

(i) In all circumstances we wanted the President to take his initiative.

(ii) We therefore desired to give the President sufficient friendly encouragement to ensure his taking his initiative.

(iii) We felt, however, that many criticisms can be levelled against the substance of his proposals. In case they received a bad reception after they had been launched, we were anxious neither, on the one hand, to share the responsibility with the President for them, nor, on the other, for the President to be able to say that we had given him no warning but unqualified encouragement.

(iv) We wished, therefore, that the President should be aware that we thought that there were points to be criticised, e.g. the procedure to be adopted, the irritation it might cause to the dictators and Japan, and the great difficulties that may arise about the two main points of his scheme, limitation of armaments and equal access to raw materials.

In addition, as it seemed that the President might not have fully grasped our position as regards *de jure* recognition, the Prime Minister sent a second message, giving a full exposition of the situation as we saw it. In particular it was pointed out that we did not contemplate granting recognition except as part of a scheme of Mediterranean appeasement and that, therefore, we would not in any case contemplate doing it until we had worked out the substance of an agreement which both sides would be willing to conclude. This would naturally take time.

So far we have had no reply from the President. As a result, however, of Sir R. Lindsay's conversation with the Under Secretary on Saturday, January 22nd, when he communicated the Prime Minister's message for Mr. Roosevelt, the following points emerged:

(a) Mr. Welles thought that the President would be pleased with the Prime Minister's response and that Mr. Roosevelt would probably wish to propound some questions to H.M.G. which would be conveyed as soon as possible.

(b) He thought that the President would be relieved to find that H.M.G. only contemplated the grant of *de jure* recognition as part of a general settlement with Italy and, therefore, not in the very immediate future. Mr. Welles said that 'the President regarded recognition as an unpleasant pill which we should both have to swallow and he wished that we should both swallow it together'.

(c) Our doubts about the wisdom of the phrase in the President's draft about the inequities of the post-war settlement struck Mr. Welles as reasonable, and the Ambassador had the impression that the President might be willing to modify it. Mr. Welles did not, however, seem to think that it would be possible to make any change in the phrase about the traditional American policy of freedom from political involvement, as the Under Secretary considered it would be necessary for sake of U.S. public opinion.

II. The Prime Minister supplemented the statement of the Secretary of State for Foreign Affairs with the remarks which may be summarised as follows:

The Cabinet would see that the Foreign Policy Committee had been placed in a dilemma. On the one hand, they very much wanted to secure American co-operation and to draw into closer relations with the United States. On the other hand, they had received these rather preposterous proposals to which the Government were asked to give whole-hearted co-operation.

The Cabinet would probably agree that President Roosevelt's scheme, containing nothing new and merely setting out four old principles, would most likely be unpalatable to the Dictator States. They would realise also that the representatives of certain small States, who were to be summoned to Washington to discuss details, were not likely to bring about world appeasement.

The Committee's aim had been to get rid of the phrase referring to 'involvement', but to do so without upsetting the President and, in addition, to get him to understand the real importance of *de jure* recognition of Italy in Abyssinia. Some members of the Committee had felt that the President did not realise that recognition was only contemplated as a possible result at the end of a negotiation, and that the object was to get rid of the perils of the immediate situation. Some also had felt anxious lest Germany and Italy might be frozen off taking part in the discussion of concrete proposals for re-establishing peace when the President's vague propositions were published. To meet this dilemma, the Committee had decided to agree to publication and, at the same time, to put forward a carefully argued case as to the proposed Italian conversations and *de jure* recognition.

Up to now the President's view had not been received but only the re-action of the Under-Secretary of State in Washington, whose opinion did not always reflect that of the President.

He felt that the Cabinet ought to receive full particulars at the earliest possible moment.

In reply to a question, he said that there was no question of asking the Council of the League of Nations as yet to deal with the question of recognition of Italy. The time for that had not yet come. What was required was to open up conversations with Italy.

In reply to another question, he said that the Cabinet Committee on Foreign Policy had made some progress the same afternoon on the subject of the German conversations, and he hoped that it might be possible to make a move with Germany before long.

No. 467

Letter from Viscount Chilston (Moscow) to Mr. Collier (Received January 31)

[N 499/97/38]

Most Confidential MOSCOW, *January 24, 1938*

Dear Collier,

The other day Maclean[1] had a not uninteresting talk about Soviet-German relations with a friend[2] of his at the German Embassy. As already reported in my telegram No. 22[3] our German colleague began by saying that the German Government had within the last few days offered the Soviet Government a credit of 200 million marks. It was intended that this credit, which would of course be spent entirely in Germany, should supersede the 200 million credit granted to the Soviet Union by Germany some three years ago and which had not yet been entirely used up. The Germans had also suggested that they should take Soviet raw materials in repayment for such of the old credit as had not yet been used up. The news that this scheme had been approved by General Goering had come as somewhat of a surprise to its originators, as until recently the General's attitude had been that Germany was able to get on perfectly well economically without the Soviet Union. Presumably he had now come to the conclusion that Germany could not afford to sacrifice to ideological prejudices the immense possibilities offered by the Soviet Union both as a market for German goods and as a source of raw materials. The Soviet Trade Delegation in Berlin under the leadership of M. Davidov had not only shown themselves disposed to accept the German offer but had actually suggested that the amount of the credit should be increased. Negotiations were at present in progress.

Maclean said that we had noticed that there had been a certain lull in the attacks on Germany in the Soviet press during the last month or two. Moreover at the recent sitting of the Supreme Council MM. Zhdanov[4] and Molotov,[5] while they had sharply attacked France, had not said a word against Germany specifically—though a good deal, of course, against the 'fascists' in general. Did this mean that there had been any relaxation of the tension between Germany and the Soviet Union? Our German colleague replied that no doubt it was realised here that there were people in official circles in Germany who were in favour of the re-establishment of normal relations between the two countries. It was also no doubt realised that the Anti-Komintern Pact was not taken very seriously by anyone in Germany except Herr von Ribbentrop, that numbers of influential Germans including Field Marshal von Blomberg were pro-Chinese rather than pro-Japanese, and that although Herr Hitler believed that in Spain the Germans were fighting world communism Germany was nevertheless not very deeply engaged there. In the circumstances it was not to the Soviet interest to antagonize all sections of German opinion by unnecessary attacks and possibly drive the Germans into adopting a forward anti-Soviet policy even where the interests of the two countries were not diametrically opposed. After all, German and Soviet officers were at the moment fighting side by side against the Japanese in China. Only the other day M. Litvinov had observed to Count Schulenburg[6] what a nuisance the war in Spain was for all concerned and what a pity it was that they could not agree to put a stop to it.

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[1] Mr. Fitzroy Maclean, a Third Secretary in H.M. Embassy at Moscow.

[2] A pencilled note on the filed copy of this letter suggested that the friend might be Herr W. von Tippelskirch, Counsellor in the German Embassy at Moscow.

[3] Of January 22, not printed (N 359/112/38).

[4] Chairman of the Foreign Affairs Commission of the Union Supreme Council.

[5] President of the Soviet of People's Commissars.

This however was all as it might be. The fact remained that a political understanding between the two countries was at present as inconceivable as ever. In German official circles there were undoubtedly people who would like to see at any rate normal relations restored with the Soviet Union. To these might be reckoned Count Schulenburg and his staff. Their theory was that if Germany could count on Soviet neutrality she would have to all intents and purposes a free hand in Czechoslovakia. And this would not be the only advantage. Herr Hitler however remained obsessed with the idea of his mission to fight international Marxism and could not be made to realise that the Soviet Union was an intensely nationalist State ruled over by a despot far more absolute than himself. Moreover anyone who dared suggest such a thing was put down as mad and promptly got rid of. So long as Herr Hitler and his entourage retained their present point of view a Soviet-German rapprochement remained out of the question. Some twelve months ago the Führer had told Count Schulenburg that he was not opposed to economic dealings with the Soviet Government but that he would have nothing to do with them politically. The pivot of Germany's policy, he had remarked somewhat cryptically, must remain Poland.

Maclean's informant then went on to say that the removal, almost certainly followed by the execution of M. Yurenev only a fortnight after his arrival had made a particularly bad impression on the Führer, who had taken the trouble to make quite a friendly speech when he presented his letters of credence (see my telegram No. 120).[7] Indeed, Count Schulenburg had recently been told by Baron von Neurath that it was no good encouraging the Soviet Government to send a new Ambassador to Berlin in the near future as it would be by no means an easy matter to get the Führer to give his *agrément.* Count Schulenburg had moreover been instructed to take two months' leave from 8th February, and in general to make it clear that the Germans attached very little importance to having an Ambassador in residence here.

Another sidelight on the foreign relations of the Soviet Government is given by Luciani, the *Temps* correspondent here, who I gather receives a salary from the Quai d'Orsay and is practically a member of the French Embassy. Luciani says that the other day he went to see M. Litvinov, as he sometimes does, and that the latter took the opportunity to deliver a violent diatribe against M. Delbos, adding that if the French did not mend their ways the Soviet Government might well be driven into the arms of Germany. According to Luciani, M. Litvinov apparently said the same sort of thing to the French Ambassador on the occasion of a recent visit. M. Coulondre reported his remarks to the Quai d'Orsay and the Quai, true to form, let out the whole story to Doriot's *Liberté* and the *Petit Parisien*, where it appeared in the form of a Soviet demand that M. Delbos should be thrown overboard. At this stage the Quai d'Orsay thought it time to issue a half-hearted partial *démenti*. (In this connexion see Phipps' despatch No. 81 of 18th January[8] of which he has been good enough to send me a copy direct).

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[6] German Ambassador at Moscow.

[7] Of July 23, 1937, not printed (N 3807/46/38).

In the light of these developments, following as they do on the French decision not to supplement the Franco-Soviet Pact by any kind of military agreement, and coinciding with a swing to the Right in France and the violent Soviet reaction thereto (see our telegrams Nos. 13[8] and 17),[8] perhaps we should ask ourselves whether the time has not come to revise our views as to the likelihood of an estrangement between the Soviet Union and France and a rapprochement between the Soviet Union and Germany. While, however, on the one hand it seems not impossible that the Franco-Soviet connexion is approaching its end I do not consider that anything that has happened can be said to justify the assumption that a political rapprochement is really impending between Germany and the Soviet Union. An increase in the volume of trade between the two countries does not necessarily presuppose political cooperation, though it might be argued that if the rulers of both countries have become sufficiently realistic to accept economic cooperation they may before long begin to realise the advantages of political cooperation. As for M. Litvinov's alleged threat to M. Coulondre, I do not think that it can be regarded as a new phenomenon. We have long assumed that many of the stories of an impending Soviet-German rapprochement had their origin here and were intended to frighten the French into extending the Franco-Soviet Pact. Moreover, apart from the considerations which in the opinion of this Embassy render such a development unlikely and which have already been repeatedly set out in our despatches, the xenophobia raging in this country has now reached such a pitch that it seems more than doubtful whether anything approaching a political understanding with Germany or any other Power would be possible at the moment. As we have said many times before, it is impossible to prophesy in a country such as this, but I cannot help feeling that were a Soviet-German rapprochement really imminent there would have been clearer indications thereof than any we have so far had.

I am sending a copy of this letter to Phipps and Henderson.

Yours ever,
CHILSTON

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[8] Not printed.

P.S. Since writing the above we have heard that in spite of what was said in the *Pravda* leader referred to in my telegram No. 18 of the 21st January[8] the communists joined in the vote of confidence in the new Chautemps Government. The explanation of this is thought to be not that the French Communist Party are no longer taking their orders from Moscow, but rather that the French have succeeded in putting pressure on the Soviet Government, and through them on their own Communists, by threatening to publish the quantities of extremely lurid information which they have recently succeeded in amassing about the activities of the Ogpu in France and elsewhere.

Yours ever,
CHILSTON

No. 468

Foreign Office[1] *to Sir N. Henderson (Berlin)*

No. 8 Telegraphic [*C 508/184/18*]

Secret FOREIGN OFFICE, *January 25, 1938, 9 p.m.*

His Majesty's Government are beginning serious consideration of next steps towards a negotiation with Germany.[2]

Leaving aside for one moment the points in regard to which Germany would be asked to make a contribution to an appeasement, they have been considering in what way they could contemplate giving, on their part, satisfaction to German colonial claims.

We have to recognize that serious difficulty will be encountered in reconciling public opinion in this country to idea of transfer of territory. But we feel that, if such transfer could be represented not merely as a restitution but as part of a joint effort on the part of Colonial Powers to inaugurate a new era of colonial administration, that might help to surmount the difficulty.[3]

With this object in view, the following idea has been put forward. There is a large region of Africa, included between lines not necessarily straight or parallel, that might be drawn across the Continent from east to west, comprising colonial territories whose frontiers might be capable of readjustment and should perhaps be readjusted. In the reallotment of territory, Germany would have an appropriate share. But with this reallotment, all the territories would be subject to certain general rules concerning treatment of native races, freedom of trade, etc. These rules might be embodied in a Convention between the Powers owning territory in the region, and the observance of these rules would be a joint responsibility of the signatory Powers.

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[1] Mr. Eden left London on January 25 for Geneva to attend the League Council meeting. Mr. Harvey accompanied him, noting in his Diary (*op. cit.*, p. 79) that they were 'very reluctant to leave London at all in view of all that has passed, but A.E. feels he must attend Council meeting and see French Ministers'. They dined in Paris with MM. Chautemps and Delbos before taking the night train for Geneva.

[2] See No. 465. This telegram was drafted by Sir A. Cadogan on the lines agreed at the meeting on January 24.

[3] According to a minute of January 25 by Sir A. Cadogan this paragraph was added on Mr. Eden's instructions. Apparently a typed draft of this telegram had been seen by both Mr. Chamberlain and Mr. Eden on the evening of January 24.

Such a scheme would put all the Powers administering territory within the enclosing lines on the same footing and for Germany would have the advantage that she would not be asked to submit to the existing mandatory system and so would avoid the jurisdiction which at present would be distasteful to her.[4]

I should be glad if you could give me your idea of how the German Government would be likely to react to such a suggestion.

Before you are instructed to approach them in the matter, I might have to ask you to return here for discussion.

I would add that His Majesty's Government have also been considering whether, when the time comes for an approach to the German Government, you should make some such proposal in regard to the Colonial problem alone, or whether you should not, at the same time, mention the points in respect of which we should expect Germany to make a contribution, and perhaps even ask the German Government whether they had any suggestions to make as to the contributions they might be prepared to offer.

You will understand that all the foregoing is solely for your information and advice, and you should make no mention of it at this stage to the German Government.[5]

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[4] This paragraph had been extensively amended by Mr. Chamberlain.

[5] In his minute (see note 3 above) Sir A. Cadogan noted that when this telegram had received Mr. Chamberlain's approval it was to be sent off without further submission to the Cabinet Committee on Foreign Policy. Copies were sent to members of the Committee on January 26, but there was no other distribution outside the Foreign Office except to the King.

No. 469

Memorandum[1] *by Mr. Eden*

[*C 484/42/18*]

FOREIGN OFFICE, *January 25, 1938*

I circulate to my colleagues a memorandum which sets out, and comments on, the various contributions which Germany might make towards general appeasement, parallel to such contributions as may be found possible from our own side.

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[1] Circulated to the Cabinet Committee on Foreign Policy as F.P.(36)43. This paper was prepared in the Central Department in response to Mr. Chamberlain's request: see No. 439.

The memorandum is purely descriptive in character and does no more than outline the elements of the problem. I hope, on my return from Geneva,[2] to follow it up with a further memorandum defining the objectives at which we might aim in our approach to Germany on this question.[3]

A. E.

German contribution towards general appeasement

The contributions which Germany might be expected to make towards general appeasement have been described in general terms on various occasions in the course of recent international conversations, e.g.

(*a*) The Lord President of the Council, in his conversation with Herr Hitler on the 19th November, 1937, spoke of a general settlement 'by means of which quiet and security might be established in Europe.'[4]

(*b*) The Secretary of State for Foreign Affairs, in conversation with the German Ambassador on the 1st December, 1937,[5] said that the 'counterpart' which was to be expected from Germany was 'an increased sense of international security and enhanced prospects of the preservation of peace.' He added that an indispensable element in such a counterpart would be an arms agreement.

(*c*) The Prime Minister, during the conversations with the French Ministers on the 29th November, 1937, said: 'The idea of His Majesty's Government would be to say that they were ready to discuss the colonial question if they were satisfied that Germany was ready to discuss the things that His Majesty's Government wanted in return, namely, disarmament, the League, a Western Pact, and Central and Eastern Europe.'[6]

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[2] See No. 468, note 1. Mr. Eden returned to London on January 30.

[3] In a minute of January 28 referring to this paragraph Sir O. Sargent wrote: 'As regards the further report mentioned in the covering note, the Secretary of State will, I take it, on his return give instructions as to the lines on which this report is to be drawn up and as to the sort of recommendations which it is to make. The preparation of the report is bound to involve considerations to high policy on which the Department will require guidance before it can put pen to paper.'

Sir R. Vansittart added (January 28): 'I hope that in any future paper the difficulties will be frankly faced as well as the objectives enumerated. I am sure that the Cabinet will gain nothing by blinking them. I am moved to make this recommendation by a passage in Sir A. Cadogan's letter of January 22 [to Sir H. Wilson, enclosing the present memorandum] which rather suggests that Sir H. Wilson at least might have preferred a paper with only objectives & no obstacles. While on this point, I wd. also like to recommend that whenever possible we shd. communicate with the Prime Minister direct, rather than with the Chief Industrial Adviser, since these matters are in some respects at least beyond his sphere; and we wd. not wish to bring them, in any increasing measure, within his sphere.

On the general paper, which seems excellent, I have only one comment to make, and that is probably common ground. Sir N. Henderson is evidently very chary of alluding to Central Europe. But unless we are really satisfied in that sphere, it would be incredibly rash & dangerous to restore colonies on any large scale to Germany. For we shd. then not only be confronted by a Europe dominated by Germany, but we shd. have her on our communications as well. A real quid pro quo seems therefore indispensable here.'

[4] See No. 336.

[5] See No. 360.

Conclusions of Anglo-French Conversations of November 1937

2. The various forms which Germany's contributions might take were discussed in some detail during the conversations with the French Ministers on the 29th and 30th November, 1937.

3. The following are the conclusions on this subject which emerged from the Anglo-French conversations:

(*a*) The conclusion of a Western pact of non-aggression and guarantee to take the place of the Locarno Treaty is still regarded as an essential element in a general settlement. It is thought important that such a pact should not imply that we have become disinterested in other parts of Europe, or that Germany is henceforth free in those other parts to alter the status quo by force.

(*b*) A disarmament agreement would be an essential part of a general settlement. In the view of His Majesty's Government this result might best be achieved along the line of qualitative limitation.

(*c*) The return of Germany to the League is desirable, though it may be that the total suppression of article 16 of the Covenant would be too heavy a price to pay in order to achieve this.

(*d*) The Austrian question, in which His Majesty's Government and the French Government maintain their interest, ought not to be left out of account in the contemplated general settlement. It is for consideration whether Germany should be asked, as part of the general settlement, to renew to Great Britain and France the undertakings she has given as regards Austria in the German-Austrian agreement of the 11th July, 1936.[7]

(*e*) (It is not clear whether this item would necessarily form part of the general settlement.) If the Czechoslovak Government could make adequate concessions to the German minority, this might enable Great Britain and France to obtain from Germany satisfactory guarantees of the integrity of Czechoslovakia.

Sir N. Henderson's Views

4. Sir N. Henderson has since then, in the light of the Anglo-French conversations, given his views on the procedure to be adopted in opening negotiations with Germany, and on the contributions which might be secured from Germany. A copy of his despatch (No. 1120 of the 15th December) is reproduced as Annex I.[8] The views he expresses are noted in their place in the following paragraphs of the present memorandum.

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[6] See No. 354.

[7] See Volume XVI, No. 436, note 4.

[8] Not reprinted here: see No. 391.

Comments on Anglo-French Conclusions

5. The following is a brief commentary on points (*a*) to (*e*) in paragraph 3 above:

General

6. Official spokesmen of the German Government have made it clear that Germany regards the return of her colonies as a right. The German press have gone further, and have said that the return of Germany's colonies is not a question of bargaining and that nothing is to be expected from Germany in return. Though official spokesmen have not perhaps gone as far as this, they have made it plain that they do not like the idea of a 'general settlement,' or 'bargain.' They have, however, indicated that it is perhaps along the line of disarmament, or at any rate the humanisation of warfare, that some contribution from Germany might be found.

7. Sir N. Henderson, in paragraph 7 of his despatch, urges that on general grounds we should get away from the catchword of 'a general settlement,' and that we should avoid giving the impression that we are out for a bargain.

(a) *Western Pact*

8. The conversations for a new Western Pact are at present at a deadlock. In July last we addressed a memorandum to the other four Powers concerned (Belgium, France, Germany and Italy), outlining the fundamental principles which we thought might be generally accepted as a basis for the new treaty.[9] To that memorandum no reply has yet been received from any Power, though M. Delbos said when he was here in November that the French Government agreed with our suggestions.

9. The chief, though not the only, obstacle to the conclusion of a Western Pact is the question whether or not there are to be exceptions to the non-aggression undertaking which in a Western Pact France would give to Germany; that is to say, whether or not there are to be any cases where France could take military action against Germany without bringing the Western Pact guarantees into operation in Germany's favour; whether or not, for example, Great Britain and the other guarantors are to be under an obligation to go to the assistance of Germany in a case where France had attacked Germany in defence of Poland, Czechoslovakia or Soviet Russia under her treaties with those countries. While the German Government have not in terms said that there are to be no exceptions to the French non-aggression undertaking to Germany, their purpose during the negotiations has manifestly been to secure a Western Pact which would restrict the liberty of France to go to the assistance of Czechoslovakia, Poland and the Soviet Union against Germany in fulfilment of her treaty obligations. A further difficulty is that the German Government reject the Council of the League as the body which is to decide whether the guarantee under the Western Treaty is to operate.

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[9] See Enclosure in No. 46.

(b) *Armaments*

10. According to the unofficial record of Lord Halifax's conversation with Herr Hitler made by the German interpreter, Herr Hitler appeared to have said (though Lord Halifax had missed this in his own record made before he had seen the record by the German interpreter) that he still thought it desirable to abolish bombing aeroplanes. Some slight doubt, however, arose, from a re-perusal of the record, whether or not this was the effect of Herr Hitler's remarks, and Sir N. Henderson was instructed to clear up the point with Baron von Neurath. In reply to Sir N. Henderson's enquiry (which was made on the 14th January),[10] Baron von Neurath said that 'what Herr Hitler had in mind was the ultimate abolition of bombing aircraft, though an agreement as regards bomb-dropping would probably have to constitute a first stage towards the abolition of the craft themselves.' Sir N. Henderson says that he is not quite sure what Baron von Neurath meant when he spoke of proceeding by stages, but he thinks that, in the German view, aerial bombing might at once be prohibited, together with an acceptance of the principle of the abolition of bombers themselves if and when this could be internationally agreed upon. (It is more likely, however, from what Herr Hitler has said in the past, that the first stage in such an agreement would be, not the total prohibition of aerial bombing, but its prohibition in open localities outside the battle zone.)

11. It is clear, therefore, that Herr Hitler is still, as before, in favour of some restriction of bombardment from the air, and it is in the sphere of the humanisation of warfare that the Germans seem to have been most forthcoming.

12. Thus, in a conversation with Sir N. Henderson early in December, shortly after Lord Halifax's visit, Baron von Neurath said that 'the Chancellor would, he felt sure, be very ready to play his part if he was given the opportunity. He was, for instance, still deeply interested in restricting aerial bombardment. Though the Disarmament Conference had proved a failure, there were other ways of achieving the same object, even though actual limitation was now difficult.' Sir N. Henderson adds that 'Baron von Neurath hinted broadly, and probably as much as he dared, that if it was put to him, we should not find Herr Hitler recalcitrant. In the meantime, as he said finally, Germany could afford to wait.'[11]

13. Herr von Ribbentrop told the Secretary of State for Foreign Affairs on the 1st December, 1937, that 'the trouble about the question of armaments was that they affected not only His Majesty's Government, Germany and France, but also Russia and Japan.'

14. Sir N. Henderson says (see paragraph 8 of his despatch) that if we are to encourage Herr Hitler to make proposals 'it will be advisable to stress armaments in the first place rather than Central Europe.'

15. The question of the *restriction of air warfare* was taken into consideration by the Committee of Imperial Defence at its 284th meeting on the 19th

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[10] Sir N. Henderson reported this interview in despatch No. 45 of January 15, not printed (C 398/306/62).

[11] See No. 380.

November, 1936, when it was agreed 'that it would be to our general advantage to have an international agreement restricting aerial warfare, notwithstanding the doubt that must exist as to whether such laws would, in practice, be observed.' The Service Departments were accordingly asked, as a preliminary step, to concert proposals so that it might be decided what were the technical desiderata which should, from our point of view, form the basis of an agreement on this subject. It is understood that a paper is being prepared for submission to the Minister for Co-ordination of Defence.

16. Meanwhile, the Prime Minister has instructed the Minister for Co-ordination of Defence to take up with the Service Departments the possibility of some *limitation* of bomber aircraft as well as other forms of qualitative disarmament (Cabinet Conclusions 49(37) of the 22nd December, 1937).[12]

(c) *League of Nations*

17. Since Lord Halifax's return from Germany, the German Government have issued an official announcement saying that 'a return of Germany to the League will no longer come into consideration.'[13] Lord Halifax had made it clear to Herr Hitler that His Majesty's Government attached great importance to Germany's return to the League. This question has been raised in the Secretary of State's memorandum of the 1st January, 1938 (F.P. (36)41).[14] The point for consideration is whether we should now tacitly abandon the expectation that Germany will return to the League, and aim instead at securing her collaboration in some other international system for mutual consultation and collaboration. If so, the German Government may well propose that this system should take the form of a four-Power or five-Power combination, although as this would exclude Russia and France's lesser allies on the continent of Europe, it would hardly seem to be a satisfactory instrument for the preservation of European peace.

18. Sir N. Henderson (see paragraph 10 of his despatch) says that it would be a mistake to give the impression that we have been affected by the recent German declaration about never returning to Geneva. He suggests, therefore, that we should either ask on what conditions Germany would return, or suggest ourselves the modifications in the Covenant which we should be prepared to contemplate. He thinks the second alternative preferable, since, if we indicated the general lines, we could invite Germany herself to discuss them in detail.

(d) *Austria*

19. As to the question of Austria, no further consideration has been given to the suggestion that Germany might renew to Great Britain and France the undertaking she has given as regards Austria in the German-Austrian Agreement of the 11th July, 1936. It will be remembered that under that agreement Germany, *inter alia*, recognised 'the full sovereignty of the Federal State of Austria.' That agreement still holds the field, although it would be

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[12] See No. 401, note 2.

[13] See No. 393, note 2.

[14] No. 409.

rash to say that Germany has not given Austria very considerable grounds for questioning her loyal observance of its terms.

20. Sir N. Henderson (see paragraph 8 of his despatch) doubts the practical utility of asking Herr Hitler for fresh guarantees as regards Austria. Herr Hitler, he says, will merely reply that the German-Austrian agreement of 1936 stands, that he means to abide by it, and that the matter solely concerns the two German peoples. Insistence on a reaffirmation of that agreement would, he thinks, lead to no result.

(e) *Czechoslovakia*

21. In an interview last October with the Aga Khan, Herr Hitler suggested that Germany would be ready to guarantee Czechoslovakia's independence if Czechoslovakia granted autonomy to the Sudeten regions. It seems, however, from the report[15] of this conversation that Herr Hitler had 'territorial autonomy' in mind, and it is quite certain that the Czechoslovak Government would not, in present circumstances, be prepared to grant such autonomy. The possibility, however, that some lesser form of autonomy should be granted to the *Sudetendeutsch*, and that in return Czech independence should be guaranteed by one or more of the great Powers, has been subjected to some preliminary examination. The results of that examination are not encouraging. In effect, any guarantee given by the great Powers would mean a guarantee of the degree of autonomy granted to the *Sudetendeutsch*, or, in other words, a guarantee of the new constitution of the Czechoslovak State. On the supposition that the guarantor Powers were France, Germany and ourselves, this would mean, from the point of view of France, a new and embarrassing addition to her existing commitments; as to Germany, it would in fact amount to an undertaking of non-aggression vis-à-vis Czechoslovakia so long as the measure of autonomy granted to the *Sudetendeutsch* was strictly observed, or, in other words, until the autonomy was in one way or another violated. But who would be the judge of whether such violation had in fact taken place? Some impartial tribunal would clearly be necessary.

22. Sir N. Henderson, for his part, thinks (see paragraph 9 of his despatch) that the only prospect of genuine appeasement between Germany and Czechoslovakia lies in the grant of such equality to the Sudeten Germans as will convert them into loyal citizens of Czechoslovakia. Even this, he says, will hardly be possible so long as Czechoslovakia is regarded in Germany as the Slav spearhead against Germany; and he considers that only if Czechoslovakia is dependent upon Germany rather than upon the Paris-Moscow axis can her permanent integrity be hoped for. His proposal, therefore, is that Herr Hitler should be asked to make a bilateral agreement with Czechoslovakia on the lines of those concluded by Germany with Poland and Belgium. He admits that Herr Hitler will probably insist on concessions by the Czechs to the Sudeten Germans, and apparently contemplates that Czechoslovakia will also be required to abandon her treaty with the Soviet Union.

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[15] A record of the Aga Khan's conversations with Herr Hitler and General Goering, sent to Mr. Eden on October 26, 1937, is filed at R 7303/770/67.

The Contemplated General Settlement of 1937

23. The attached memorandum (see Annex II)[16] has been prepared in order to show, for purposes of comparison with the conclusions outlined in paragraph 3 above, the lines of the general settlement which His Majesty's Government had in mind in April 1937, as a result of the conversations which Dr. Schacht had with the French Ministers in the previous autumn and with Sir F. Leith-Ross in February 1937. The terms of the general settlement contemplated in 1937 will be found in paragraph 4 of the annexed memorandum.

Colonial Question

24. It will be seen from paragraph 7 of the annexed memorandum that the position at that time was that neither the French nor the British Government were prepared to consider the colonial issue unless and until agreement had been reached in principle on all the other elements which must go to make up a general settlement.

25. This time-table is not very different from the time-table we at present have in mind as the result of the recent Anglo-French conversations. Our understanding of the conclusion reached on this point between French and British Ministers in November last was that no discussion of the colonial question with Germany should take place in advance of a discussion of the other matters which would form part of a general settlement, and that no settlement of the colonial question should be reached with Germany in advance of such general settlement. In particular, it would be unwise in advance of such discussions to recognise, even in principle, Germany's right to possess colonies.

26. Sir N. Henderson's ideas on this point are rather different, and the procedure which he suggests varies from that agreed upon in the Anglo-French conversations. In his view (see paragraphs 5 and 7 of his despatch), we should start with an offer to Germany of a colonial settlement in more or less concrete terms, i.e., in effect, apparently recognise *ab initio* the principle of retrocession, if retrocession were to form part of the offer. This offer, Sir N. Henderson suggests, would be accompanied by a statement to the effect that His Majesty's Government could not hope to persuade the British public to ratify it unless Germany were prepared to make her own contribution to peace and tranquillity; and if Herr Hitler did not make his own proposals, they should (Sir N. Henderson thinks) be suggested to him.[17]

Annex to No. 469

Conversations with Dr. Schacht about a General Settlement, 1936–37

In the autumn of 1936 Dr. Schacht had conversations with M. Blum and other French Ministers,[18] and in February 1937 with Sir F. Leith-Ross,[19] in which he suggested that secret discussions might be initiated between representatives of the United Kingdom, French and German Governments, with a view to exploring the possibility of a general settlement of outstanding questions between Germany and the Western Powers. What Dr. Schacht contemplated was a comprehensive settlement[20] covering, on the one hand, certain economic and financial concessions to Germany, the most important of which related to the transfer of colonies, and, on the other hand, the acceptance by Germany of the political desiderata of the United Kingdom and French Governments.

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[16] See Annex to this document.

[17] In a note of January 23 (PREM 1/330) sent to Mr. Chamberlain with a copy of this paper, Sir H. Wilson wrote: 'I do not think the FO have yet worked out . . . the possible "picture" on the assumption that we really *do* want to get an agreement if we can.' Cf. note 3 above.

2. Dr. Schacht's proposals are set out in paragraph 12 of the memorandum by the Secretary of State for Foreign Affairs, circulated to the Cabinet Committee on Foreign Policy on the 15th March, 1937 (F.P.(36)18).[21] They are, very briefly:

(i) *Colonies.* Germany must have colonies (he mentioned Cameroons and Togoland) under German management and using German currency, but the 'open door' could be accepted and guarantees given about military matters.

(ii) *Economic.* Arrangements to be made as regards adjustment of currency, debts, relaxation of exchange control starting with commercial operations.

(iii) *Political.* Germany was prepared to contemplate some kind of pact for the whole of Europe, and to give indirect assurances of non-aggression as regards Russia. Germany would accept a non-aggression and non-interference pact with Czechoslovakia, subject to the German minority being reasonably well treated. Germany accepted the principle of the limitation of armaments. Germany would be willing to rejoin the League, but would want the Covenant separated from the Treaty of Versailles and sanctions cut out.

3. In a despatch to His Majesty's Ambassador at Paris, No. 845,[22] of the 27th April, 1937 (F.P.(36)27), Sir E. Phipps was instructed to submit for the consideration of the French Government the terms of a reply to be communicated to Dr. Schacht or to Baron von Neurath on behalf of the United Kingdom and French Governments.

4. The suggested reply was in the following terms:

> 'Before the French and United Kingdom Governments can judge whether the tripartite conversations on the basis suggested by Dr. Schacht would be useful, they would desire to know from the German Government whether, on the political side of the programme, the German Government

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[18] See Volume XVII, Nos. 141 and 145, and Volume XVIII, No. 210.

[19] See Volume XVIII, No. 148.

[20] *Note in original*: This no longer tallies with the present German view, which is opposed to the idea of a general settlement. See paragraph 6 of covering memorandum.

[21] Volume XVIII, No. 289.

[22] Volume XVIII, No. 445.

are willing that the negotiations, of which these conversations would be the first stage, shall include the following objectives:

(*a*) The conclusion of a treaty or treaties of non-aggression and guarantee for Western Europe to replace the Treaty of Locarno.

(*b*) Measures by Germany, in treaty form or otherwise, which will satisfy the Governments of Central and Eastern Europe with regard to Germany's intention to respect the territorial integrity and sovereign independence of all Central and Eastern European States. Confirmation will, in particular, be welcomed of Germany's readiness to negotiate a non-aggression and non-interference treaty with Czechoslovakia and to enter into some arrangement with regard to the Soviet Union.

(*c*) The return of Germany to the League of Nations. It would be desirable to learn whether the attitude of the German Government on this question is still as described in their Peace Plan of March 1936,[23] or whether they now consider it necessary to make any stipulations in this connexion.

(*d*) An international arrangement for the limitation of armaments.

It will be understood that the precise method by which each of these objectives can best be secured will be open to discussion, but the French Government and His Majesty's Government in the United Kingdom do not think it unreasonable to ask the German Government to give them a definite assurance that they intend to enter upon the discussion with a genuine desire to co-operate in achieving agreement upon these points, and that they would not seek to exclude any of the foregoing proposals on general grounds of principle.

If a basis of negotiation could be reached on the foregoing political questions, the French Government and His Majesty's Government in the United Kingdom would be ready to include in the discussions consideration of the question of assisting Germany to re-establish her financial and economic system on a sounder basis. They would not exclude from the discussion any proposal which the German Government might put forward in this connexion; but their examination of Germany's difficulties in this field suggests that the solution of these problems would depend not only on external assistance, but also on the readiness of the German Government to adopt the measures necessary to restore internal economic equilibrium, to reassure capital, and to play their part in a general relaxation of trade restrictions. All these questions would, therefore, be open to discussion.'

5. It will be noted that in the foregoing draft no specific reference was made to the question of the transfer of colonial territories (on the importance of which Dr. Schacht had insisted) except in so far as it was stated that it was not intended to exclude any proposals from discussion. The instructions to Sir E. Phipps (see paragraph 3 above) went on to describe the difficulties that would

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[23] See Volume XVI, No. 42.

attend any change in the status, in favour of Germany, of the British and French territories under mandate. He was to explain to the French Government that the transfer to Germany of Tanganyika would have such disastrous effects on the problem of colonial defence that it must be excluded. If, however, the French Government were prepared to contemplate the transfer of their mandates in the West African area (Cameroons and Togoland), His Majesty's Government would (subject to the result of any discussion of the general question of mandated territories at the Imperial Conference) be prepared to conform to the decisions of the French Government as regards the future of those areas. But such concessions could only be contemplated if they were accepted by Germany as a full and final settlement of all her territorial claims, and if thereby a permanent basis could be found for European appeasement. His Majesty's Government recognised that this would represent a much larger concession by France than by the United Kingdom; if, therefore, any further concession was required from His Majesty's Government, it would have to take the form of economic measures such as the assurance to Germany of supplies of raw materials or of outlets of German exports to British colonies. His Majesty's Government would be prepared to consider what could be arranged in this direction.

6. When Sir E. Phipps carried out these instructions on the 3rd May, 1937, the suggestion that France should be required to make a sacrifice of colonial territory so much greater than that of Great Britain was strongly opposed by French Ministers (see paragraph 5 of Sir E. Phipps's telegram No. 247 Saving,[24] of the 4th May, circulated to the Cabinet Committee on Foreign Policy in F.P.(36)30), though they approved the terms of the proposed communication to the German Government (see paragraph 4 above). Subsequently, on the 9th May, 1937 (see Sir E. Phipps's telegram No. 58[25] of the 10th May, circulated in F.P.(36)31), the French Ministers stated that after reflection and consultation they thought that conversations should be renewed with Dr. Schacht when he came to Paris later in the month, but they did not think that any useful purpose would be served in the present circumstances by addressing the proposed written communication to the German Government.

7. The proposed communication was therefore not, in fact, made. It was agreed between the French Foreign Minister (M. Delbos) and the Secretary of State for Foreign Affairs, when the former came to London for the Coronation, that 'the conversation with Dr. Schacht should be carried on in such a way that, while keeping open the door for possible further conversations, if necessary, it should be made clear to Dr. Schacht that neither the French nor the British Government were prepared to consider the colonial issue unless and until agreement had been reached in principle on all the other elements which must go to make up a general settlement.' It was also agreed that 'an effort should be made more particularly to explore further the economic and financial questions on which agreement with Germany might be possible.'[26]

[24] Volume XVIII, No. 462.

[25] *Ibid.*, No. 476.

[26] See *ibid.*, No. 501.

8. Accordingly, when, on the 28th May, 1937, M. Blum saw Dr. Schacht in Paris, he said that 'in the first instance a general political settlement must be reached, after which economic discussions, with or without possible colonial concessions, could follow.' Dr. Schacht asked whether the political conversations must completely terminate before economic discussions began. M. Blum replied in the negative, and said that 'if serious prospects were apparent on the political plane, economic discussions might begin.'[27]

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[27] See *ibid.*, Nos. 551 and 556.

No. 470

Sir R. Lindsay (Washington) to Foreign Office (Received January 27, 9.30 a.m.)

No. 91 Telegraphic [*A 651/64/45*]

Very Secret WASHINGTON, *January 26, 1938, 4.36 p.m.*

My telegram No. 79.[1]

I called on Under-Secretary of State yesterday to finish off any points under discussion about exchange of confidential information. We agreed that it would be best to avoid as far as possible any actual rules but that two principles might usefully be observed:

(a) That information is given in confidence and should not be communicated to any third party and

(b) That as suggested in your telegram No. 54[2] where British information, opinions or appreciations are desired they should be sought in London and vice versa. He repeated that State Department would gladly reciprocate with any information at its disposal you may desire.

He then took me into Secretary of State's room who questioned me at some length about situation in Europe. He asked as to nature of relations between France and U.S.S.R. and whether alliance between them was of a firm character; as to chances of a rapprochement between Germany and U.S.S.R.; and as to possible effects of a German penetration in a south-easterly direction on U.S.S.R. policy; all this, as is natural with Secretary of State, with special bearing on economic tendencies.

To all this I gave what answers I could in order to show good will but I did not disguise my embarrassment and said that answers as to your views could only be elicited in London.

It is clear that State Department is taking stock closely of political situation in Europe and is anxious to compare its own impressions with yours. You will doubtless receive many questions and some may have reached you already. I am glad you are willing to answer as fully as possible.

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[1] No. 461.

[2] No. 452.

No. 471

Sir N. Henderson (Berlin) to Foreign Office (Received January 26, 9.30 p.m.)

No. 12 Telegraphic [*C 522/184/18*]

Secret BERLIN, *January 26, 1938, 8.47 p.m.*[1]

Scheme outlined in your telegram No. 8[2] appears insufficiently detailed to enable me to express any helpful and decided opinion as to the probable German reaction thereto.

Germany wants colonies to form an integral part of her economy and she would, I feel sure, object in *principle* to any limitation on her sovereignty therein. Probably more so from the economic standpoint than from that of the native races or military dispositions. On the other hand I have always been inclined to believe that if she received one colony in full sovereignty she might ultimately agree to restrictions in other areas.

Much necessarily depends on the extent of territory she might acquire out of the scheme in question, as well as how much territory belonging to other colonial Powers would be subjected to similar restrictions. For instance, if the whole of Africa were so subjected, then Germany might be expected also to agree to restrictions for all her own areas.

In fact I would surmise that German reaction to the proposal in its present form would be one of suspicion and hesitancy in the first instance.

I venture to offer more general observations in my immediately following message.[3]

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[1] According to the times on the filed copies telegram No. 13 (No. 472 below) was despatched before No. 12, but as No. 12 was received much earlier in the Foreign Office the telegrams have been kept in numerical order.

[2] No. 468.

[3] No. 472 below.

No. 472

Sir N. Henderson (Berlin) to Foreign Office (Received January 27, 9.30 a.m.)

No. 13 Telegraphic [*C 527/184/18*]

Secret BERLIN, *January 26, 1938, 8.45 p.m.*

My immediately preceding telegram.[1]

I would sum up the present German attitude towards colonial settlement as follows:

Under influential reports from Paris and Rome that His Majesty's Government are only toying with the idea in order to gain time, there is considerable general scepticism here as to His Majesty's Government's intentions to make any definite proposal at all. Herr Hitler or leaders (sic) do not necessarily and should not share this view but for their part they are sceptical as to whether proposals which may be made will amount to much.

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[1] No. 471.

My own attitude since I returned here has been to prepare German mind for counter-contributions. I have held out fairly early prospect of proposals being made and have stressed principle of German collaboration in appeasement (see my despatches 53[2] and 95).[3]

The fact is that the German contribution and our offer cannot in my opinion be considered separately. The more we ask Germany to contribute, and the more we whittle down what we would be prepared to give, the less Germany will accept in the way of limitations on what she would get, and the less likely will she be to agree to talk about general appeasement at all.

The time factor in all these matters is also of importance. I regard it as highly desirable that we should already have begun discussion of the matter with Germany before Herr Hitler goes to Rome in May. Whatever their faults, Germans have a high conception of loyalty to their friends and will not do anything without consulting Signor Mussolini and getting his blessing.

This again raises the question of Abyssinian recognition and makes it equally desirable that the solution of [t]his problem should be found before May otherwise Italy will, apart from anything else, put spokes in the wheel of Anglo-German discussions.

(Favourable reception in Germany and Italy of van Zeeland's report[4] is also not alien to above considerations.)[5]

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[2] No. 442.

[3] No. 474 below.

[4] See No. 440. In a minute of January 28 Mr. Ashton-Gwatkin pointed out that the van Zeeland Report acknowledged the close connection between the colonial question and that of the financial restoration of Germany. '. . . colonial satisfaction for Germany implies the transfer of a colony into the absolutely closed and deliberately preferential area of the German currency system. In present circumstances Germany would not want colonies except under this condition; and the transfer of a colony into such economic bondage would be a retrograde step from the aspect of a more international view of colonialism. A colonial transfer should therefore only be considered if Germany emerges from the seclusion of her exchange controls, and accepts cooperation with Western Europe on the basis of an extended Tripartite Agreement—which is what the van Zeeland Report invites her to do.'

[5] In a minute of January 27 commenting on Berlin telegrams Nos. 12 and 13 Mr. Baxter expressed the view that it was 'not surprising that Sir N. Henderson's comments are rather discouraging and extremely imprecise . . . the Central Department . . . entirely concur in his view that Germany will certainly object *in principle* to any limitation of her sovereignty in any colonies which may be restored to her . . . we must now face the probability that the Germans will probably decline to say anything about the restrictions to which they would submit in any territories which might eventually be transferred to them, before knowing roughly what territories we are talking about . . . would it not be well to examine at the present stage some of the other possible implications of the Prime Minister's scheme? If we are to consider . . .'the opening of an entirely new chapter in the history of African colonial development' [see No. 465] it would be well to clear our own minds regarding the nature of this new régime'.

No. 473

Mr. Edmond (Geneva) to Foreign Office (Received January 27)

No. 2 Saving: Telegraphic [*W 1121/1121/98*]

GENEVA, *January 26, 1938*

Following from Secretary of State.

I had a long and very satisfactory conversation with M. Chautemps and M. Delbos at the Quai d'Orsay yesterday[1] when we touched on nearly all aspects of the international situation.

I read to them the draft declaration which I proposed to make at the Council on the British attitude towards the future of the League. I said that I did not favour an Anglo-French declaration and preferred the making of separate declarations by individual Members to an attempt to reach an agreed resolution which it would seem must necessarily be of a very indefinite character. They agreed with the lines of my declaration and the question of procedure is to be discussed further. Declarations are unlikely to be made before Thursday.

3. As regards the Committee of 28 (Reform of the Covenant), the French Ministers felt that it would be impossible to postpone its meeting again but agreed that its deliberations had best be of as non-committal a character as possible.[2]

4. On the subject of Alexandretta[3] the French Ministers intimated that, although the Turkish Government were proving extremely unreasonable and tiresome they felt that agreement would be reached with M. Aras who is coming to Geneva in person. I undertook to give what help I could but no doubt Turks appreciate that they are in a good position to squeeze the French and will seek to do so.

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[1] See No. 468, note 1.

[2] The Committee of 28 on the Application of the Principles of the Covenant of the League of Nations was due to meet in Geneva on January 31. It was also expected that the question of League reform would be raised in the Council itself by the Chilean delegation, who had put forward a proposal to consult non-member States on the issue. For the background to the work of the Committee of 28 see Volume XVI, No. 395, note 5, and Volume XVII, Nos. 158, 179, and 283.

The Foreign Office were not anxious to raise the issue of reform, considering that recent events such as the Italian withdrawal from the League (No. 386), the German statement of support (No. 393, note 2), moves by smaller states towards the *de jure* recognition of Italian sovereignty in Ethiopia (No. 404, note 8) and the Budapest Conference (No. 432, note 1) had so altered the situation as to render any discussion of the League's future both impractical and unprofitable. Mr. Eden, however, felt that some sort of general statement of continuing faith in the League would be useful, and M. Delbos agreed. At the League Council meeting on January 27 they both made speeches affirming their countries' faith in the League and the need to preserve it: see *The Times*, January 28, 1938, pp. 13 and 14. The draft of Mr. Eden's statement, drawn up by Sir A. Cadogan and amended by Mr. Chamberlain, is filed at W 542/3/98.

The Committee of 28 met on January 31, but after a debate on February 1 it was decided to submit all relevant reports and the statements of individual members to the Assembly, and to ask for guidance as to future procedure. The matter was thus placed in abeyance until September, 1938.

[3] Cf. Volume XVIII, No. 54, note 2.

5. We next turned to the question of Italy and the *de jure* recognition of Abyssinia. The French Ministers said that the small nations were becoming restive and would undoubtedly press us for our views at Geneva. I said that His Majesty's Government had not yet taken any final decision but that we were contemplating the opening of conversations with the Italian Government and we were considering in our own minds how these could best be handled. On one point we were quite clear. We considered that we could only grant *de jure* recognition as part of a general measure of appeasement which would include such questions as the Libya garrison, propaganda, Spain, the Red Sea and possibly some demilitarisation in the Mediterranean itself. Such an agreement, if concluded, could fairly be represented to the League of Nations as a contribution to peace and as justifying action on its part to free its Members to grant recognition. The French Ministers appeared entirely to share these views. There was much to be said for obtaining what we could for *de jure* recognition while we could; at the same time there were difficulties such as the conduct of Signor Mussolini himself, and possible reactions in the United States. They considered it would be impossible to contemplate *de jure* recognition at this session of the Council nor did they wish to do so apart from some agreement which would be a contribution to general appeasement. They agreed that the questions of the garrison of Libya and propaganda should be included but they attached particular importance to the inclusion of the Spanish question in some form among the subjects of agreement. I said that it was essential that His Majesty's Government should act with the full support of the French Government in this matter and I suggested that the French Ministers should also consider and let us know what their desiderata would be in such a settlement; whilst we should conduct the conversations with Italy we should wish to include their desiderata as far as possible in our own. The French Ministers undertook to do this.

6. They explained that their desire to include the Spanish question in some form was chiefly due to their fear that Mussolini might now be strongly tempted to send more men to Spain. From reports that they had received, including that of a distinguished retired French soldier who had made a complete tour of the front as special correspondent of a French newspaper, it was clear that the Government's position had considerably improved. General Franco could, therefore, hardly be expected to force a complete victory without a greater measure of assistance from Mussolini. This was a dangerous situation for, if Mussolini were to send more men, all the difficulties of last autumn would be revived and the policy of non-intervention would again be endangered. It was for consideration whether we ought not to give Mussolini some warning about this. After further discussion, however, it was agreed that it was undesirable to give him such a warning in any event until our reports of the despatch of Italian troops were more completely substantiated. It is my impression that the French Government would perhaps be satisfied on the Spanish issue if it could be made clear from the start of our conversations with Italy that they proceeded on the understanding that Italy would send no more men to Spain while they were being

conducted. If, in addition to this, we could secure the withdrawal of the Italian airmen from Majorca, I feel fairly confident that the French would regard this as satisfactory.

7. We had a considerable discussion about Libya. The French Government have taken certain steps to strengthen their forces in Tunis both on land and in the air and are not apprehensive of an Italian attack directed against them. I gathered that their forces in Tunis are still superior to those of Italy in Libya and the French clearly consider that superiority to apply to quality as well as quantity. The French Ministers appeared to expect that the Italians intend to raise their troops in Libya to four corps and have received reports that the King of Italy is to inspect them at some date in the spring. Though they are admittedly puzzled by this concentration, they were inclined to hold the view that the Italian forces in Libya were less likely to be intended for an attack on Tunis or Egypt than for a make-weight in the event of an outbreak of general hostilities. Indeed in their view Mussolini's recent moves appeared to be intended for that purpose, so that if waters became troubled he could fish in them to the best advantage. They did not consider that he himself would take steps to initiate hostilities. As regards the situation in Abyssinia the French Ministers undertook to give us a memorandum with their information but this appears to coincide generally with ours. They said that there had no doubt been a definite deterioration in the military as well as in the economic sense in the past two months.

As regards the European situation generally, M. Chautemps emphasised that the one question-mark was Mussolini. Here the difficulty was to know how to handle a man of his temperament. M. Chautemps was inclined to take the view that by opening conversations we might secure a temporary appeasement. On the other hand, if conversations were to fail, and one could certainly not have any confidence that Mussolini would be reasonable, then the position would be worse than ever.

M. Chautemps added that there was a definite *détente* between France and Germany but it was impossible to know what Mussolini might do and M. Chautemps was not prepared entirely to rule out some act of folly on his part. At the same time, I did not find the French Ministers in any state of alarm at the general situation. On the contrary, they seemed more confident, if anything, than when we last met them in London.[4]

I was impressed by the fact that over and over again in the conversation one or other of the French Ministers reiterated that Germany was the real problem. No effort, they felt, should be spared to improve relations with Berlin. The German Government were making no secret of the doubts which recent action by Japan had raised in their minds as to the value of the connexion with Tokyo and there was also probably some uneasiness in Berlin about Italy's economic position and her commitments in Spain and Abyssinia. Germany must have at least as much information on these points as we. It is clear that the French Ministers are genuinely anxious to make progress with negotiations with Berlin. M. Delbos had obtained the impression from his conversation with Baron von Neurath[5] that it might be possible to make a start on the subject of the humanisation of warfare. Hitler would not be prepared, he felt sure, to repeat his initiative. He might, however, respond to an initiative in this matter coming from either of us. M. Delbos appeared to consider that this subject should be taken up even before that of German colonies was dealt with in any detail.[6]

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[4] See No. 354.

As regards the colonial question M. Delbos said that the French Government had done some work on this. So far, as was perhaps inevitable, the difficulties were at present much to the fore. They would let us know as soon as their studies had proceeded further. I told the French Ministers that we too had been at work and that we hoped before long to be able to communicate our ideas to them.

Repeated to Paris No. 1 Saving.

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[5] See No. 380, note 4.

[6] In a minute commenting on this paragraph, Mr. Mallet suggested 'that if we were to approach the Germans for conversations on this subject [the humanization of warfare] apart from & before raising the colonial question they would only conclude that we were trying to draw a red herring across the trail. In this view the Italians would certainly support them. I. Mallet. 18.i.'

Sir A. Cadogan wrote: 'Is there any sign from the Air Min[ist]ry that we shall ever get their views on the possibility of any kind of air limitation? If they haven't been reminded lately, could they be reminded again now? A.C. Jan. 29, 1938.' Mr. Strang pointed out that the Cabinet Committee on Foreign Policy had been told on January 24 that a memorandum from the Air Ministry on air disarmament would be ready shortly. See Gibbs, *Grand Strategy*, *op. cit.*, p. 576. See also No. 401, note 2.

No. 474

Sir N. Henderson (Berlin) to Foreign Office (Received January 28)

No. 95 [*C579/62/18*]

Confidential BERLIN, *January 26, 1938*

Sir,

Herr von Ribbentrop invited me to lunch with him yesterday at his pleasant little country residence situated among the low hills euphemistically known as the Markish Switzerland, about an hour and a quarter by motor from Berlin. Though somewhat inconvenient, I accepted the Ambassador's invitation as affording an opportunity, before his return to London early in February, of impressing certain points upon him in the hope, possibly forlorn, of his either repeating them to his Führer or of taking them himself to heart.

2. In the latter category, I endeavoured to persuade him that, though the primary duty of an Ambassador was that of representing his country's views abroad, of scarcely less importance, since no durable agreement between nations was possible without mutual understanding, was that of acquainting his own Government with the opinions of the people among whom he happened to reside. Even that point in itself was a difficult enough

undertaking, since Herr von Ribbentrop absolutely declined to understand why British trade unionists should be interested in the fate of German trade unionism, or why Englishmen in general should resent the persecution of Protestants, Catholics or Jews in Germany, or be alarmed at the possibility of any disturbance of the status quo in Europe.

3. You have, however, greater experience than I of Ribbentrop's idiosyncracies and I need not inflict upon you a full account of our conversation. Much of it was entirely beside the points to which I endeavoured—with at first conspicuously little success—to pin the Ambassador. In a sense, too, our contest was an uneven one as the latter enjoyed the strongly partisan support of his Father, who was present and who, while adding nothing to the actual conversation, was giving all the time enthusiastical [*sic*] and audible sounds of approval at his son's involved and prolix descriptions of the failure of the British Press and public to appreciate Germany's standpoints, on the number of chances missed by the British Government in the past, on his own infallibility and on the righteousness of everything German.

4. It was at times exceedingly tiresome but I must admit that the Ambassador showed greater restraint than I did. Certainly the occasions on which I felt constrained to apologise, or failed to do so when I should have done, for great frankness were far more numerous on my part than on his. Actually it took me till a quarter to four p.m. before I succeeded in getting the Ambassador to put the question which was the main object of my journey, namely, as to what contribution could be made by Germany towards peace and general appeasement in Europe. Even then, I think, that Ribbentrop only put it lest he might otherwise never get rid of me.

5. Speaking generally, the line which I took throughout our conversation was the following: the biggest problem of the twentieth century was whether the British Empire and an unstatic Germany could live side by side without resorting to war. Personally I believed it, though difficult, to be possible in view of the geographical positions of the two countries. Yet, though difficult, another war between us would, whatever its result, be absolutely disastrous—I could not imagine and would be unwilling to survive the defeat of the British Empire. At the same time I would view with dismay another defeat of Germany which would merely serve the purposes of inferior races. It was essential therefore to try to find a basis of understanding which might be permanent. Quite apart from ourselves, the peace of Europe depended more on an Anglo-German understanding than on anything else. Obviously the first offer must come from us. But equally obvious was the fact that we could and would make no offer unless Germany for her part were to make some contribution of her own towards mutual confidence and general security. That was axiomatic and a principle which the Ambassador might accept as definite.

6. For about two hours Herr von Ribbentrop avoided the issue and when at long last he resigned himself to asking the fatal question I told him that I could only express a personal opinion on the details as distinct from the

principle. But in my opinion there was much that Germany could do to help in respect both of British and European public opinion. She could cooperate in putting a stop to the armament race and she could revert to the proposals made by Hitler himself after the reoccupation of the Rhineland in 1936 in regard to the League of Nations and to her neighbours. I did not greatly elaborate, and for once the Ambassador, possibly because he was exhausted,[1] did not raise any very serious objections. I told him, however, that on his return to London he would certainly be asked in what form Germany would be prepared to cooperate, and I hoped he would carefully consider what reply he would be able to give. I was prepared to collaborate with him to the utmost of my ability. But a great responsibility rested on him. He exercised far greater influence on his Government than I did on mine and much depended on the personal advice he was courageous enough to give Hitler.

7. On this note I said goodbye to him: and, since he is as vain as he is woolly-headed, on the best of terms.[2]

I have, etc.,
NEVILE HENDERSON

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[1] Mr. Mallet commented on January 29: 'I don't doubt that Sir Nevile was as exhausted as Herr von Ribbentrop after trying to bring home to the latter the reasons why the Nazi régime is looked at askance over here & the contributions which Germany will have to make towards a settlement.'

[2] On Mr. Eden's instructions this despatch, together with No. 442, was printed and circulated to the Cabinet as F.P.(36)46 on February 2.

No. 475

Sir N. Henderson (Berlin) to Foreign Office (Received January 28)

No. 96 [*C 580/62/18*]

BERLIN, *January 26, 1938*

Sir,

I have the honour to enclose a memorandum[1] by the Military Attaché to this Embassy recording the language held by the Chief of the General Staff at a small dinner party in the General's house.

2. The interest therein lies in General Beck's outspoken criticism of the Nazi Party. Friction between the Party and the Army is, of course, no new phenomenon, particularly on the subject of religion and there was, as I reported in my despatch No. 979[2] of November 2nd last, considerable talk last winter of General Beck's impending resignation in consequence of the Party's hostility to him on this account. General Beck remains at his post, but rumour continues to be busy with his name nor is that to be wondered at if he talks in the way that he does in the presence not only of other Germans but also of a foreigner. He is either reckless, knowing perhaps that his time will shortly be up, which indeed, owing to his age, quite apart from other reasons,

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[1] Not printed.

[2] No. 287.

is not improbable, or he may feel himself strong enough to express his opinion without risk of disaster. Whatever the answer to this question, it is a fact that criticism of the Party is on the increase. The general attitude may be summed up in the words of a Senior Officer of the *Wehrwirtschaftsstab*, who declared that whilst one was prepared to endure the present state of affairs during an emergency it could not and would not be allowed to go on for ever.

3. As I said in the despatch covering my annual report,[3] the State and the Party tended to amalgamate during 1937, but one of the major internal problems for this country and for Herr Hitler is whether this amalgamation can be brought about smoothly and gradually or whether there will have to be ultimately a serious clash between rival and vested interests. Since 1933 the organisation of the Party has developed enormously. In each of the 31 Gaue into which Germany is divided for party purposes the Gauleiter maintains a large headquarters staff and an organisation which descends through the Kreisleiter and the Ortsgruppenleiter down to the leaders of the so-called cells. Each subordinate official reports on the state of public opinion to his immediate superior, and the reports of each Gau are centralised and sifted by the headquarters staff in the Brown House. The latter, acting on this information and in collaboration with the Ministry of Propaganda, determine the line to be taken by the trained corps of official orators, who represent the mouthpiece of the party; recommendations are also made in the proper quarter in regard to internal policy. It will be seen that the party machine, not only performs a useful function but represents a strong vested interest which it will be difficult to dislodge. In addition to the political organisation proper there are the various Nazi bodies, the S.A., the S.S., the Labour Front, the Hitler Youth and many lesser associations which have prominent and determined men in their ranks and have come to play an integral part in the organisation of the State. The numbers of persons who obtain salaried employment in the party runs into many thousands.

4. A prominent German of the Nationalist school recently remarked to a member of my staff that the history of Germany showed that the Junkers always supported a government which found employment for their sons and that Junker support was essential to any German Government. In support of this theory he cited the experiences of the Weimar Governments and particularly of Dr. Brüning, whose difficulties with the Junkers brought about his fall. It was remarkable, he said, how many Junkers had expressed their satisfaction to him at the employment of their sons in official positions under the present régime.

5. Nevertheless with the passage of time the revolutionary period is falling behind and so old a National-Socialist as Dr. Frank, number 14 in the party, is openly pleading for a Habeas Corpus Act. Other National-Socialists, such as Herr Bohle and Dr. Dietrich, are being absorbed into the administration. As the situation grows more normal it will become increasingly obvious that the perpetuation of two kings in Brentford in the form of State and Party is impracticable. At the moment we have, for example, the almost comical

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[3] No. 29 of January 10, not printed (C 250/250/18).

spectacle of the confiscation of the *Stürmer* on the orders of the Government, whilst Herr Streicher continues to display the offending number in the special show cases which he has erected all over the town.

6. At present Herr Hitler is sitting on the fence. He has been able hitherto to drive his heterogeneous team with consummate skill; each one plays a part in his scheme and he is anxious not to become the prisoner of a faction. But he may have to come down on one side in the end, though he will postpone doing so until the last possible moment. Will it be on the side of the Party machine or of the State as represented by General Göring, the Army and the great competent mass of the old German bureaucracy?

7. It will be a difficult decision for Hitler if amalgamation cannot be secured pacifically and a choice has ultimately to be made. His actions are so unpredictable that it would be rash to give any very definite opinion as to the line he will take. Nevertheless, quite apart from other considerations, there is the precedent of June, 1934, to guide one. On that occasion the supreme issue lay between the regular army and the irregular Brown army which had won Hitler's battle for power for him. Though it may have been with the utmost reluctance and after prolonged delay and much heart-searching Hitler at the last came down decisively on the side of the regular army, which was at that moment infinitely less powerful than it is to-day. If he does so again, it is likely that, as in 1934, he will first assure himself of the support of certain elements of the Party, who will follow him from motives of self-interest or loyalty.

8. Be that as it may, my impression is that behind the scenes an obstinate struggle, which will probably be long drawn out, is being waged between the Party organisation and the normal elements of Government in this country as to which shall be supreme. The Party is busy consolidating its position by the creation of a Party caste and professes complete confidence in its future. But so far as I can judge, though admittedly it is more an instinctive feeling than a considered opinion based on actual facts, it seems to me that it is the Party which for the moment is losing ground.[4]

I have, etc.,
NEVILE HENDERSON

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[4] Mr. Eden minuted on January 31: 'Interesting and important, especially in view of the postponement of the Chancellor's speech to the Reichstag.' Sir N. Henderson reported in telegram No. 15 of January 28 that Herr Hitler had decided not to make his usual speech to the Reichstag on January 30.

No. 476

Sir H. Montgomery (The Hague) to Foreign Office (Received January 27, 9 p.m.)

No. 1 Telegraphic [*R 807/7/22*]

THE HAGUE, *January 27, 1938, 7.27 p.m.*

My despatch No. 36.[1]

Minister for Foreign Affairs, whom I went to see at his request this morning January 27th, said he wished to make through me official notification to His Majesty's Government of initiative taken by Netherlands Government as to recognition of Italian sovereignty in Abyssinia and of decision at which they had now arrived to send Netherlands Minister to Rome with credentials addressed to King of Italy and Emperor of Ethiopia. It was not intended by this to give more than *de facto* recognition to Italian sovereignty. He had intended to make notification to His Majesty's Government and French Government after consultation with Oslo States before anything was published, but his intention to keep matter confidential had been thwarted by public reference to matter in speech made some time ago by Norwegian Minister for Foreign Affairs.

2. After making this official communication M. Patijn told me that in notifying Italian Minister here of intention to send Minister to Rome with credentials in above form he had explained it implied no withdrawal of Netherlands Government's disapproval of Italian conquest of Abyssinia and did not imply *de jure* recognition. Italian Minister had said that he and his Government fully understood and accepted position.

3. M. Patijn said he had made communication to French Minister in similar terms to that now made to me. French Minister had asked that public announcement that Netherlands Minister was proceeding to Rome should be postponed for ten days in case his Government should have any observations to make. To this M. Patijn had agreed though he was anxious for service reasons that Minister should proceed at as early date as possible.

4. I asked what position was as regards other Oslo States.

5. M. Patijn said that M. Spaak intended to explain Belgian position to Mr. Eden at Geneva today.[2] It was that Belgian Government intended to send their Minister to Rome with credentials in the form desired by Italian Government but that M. Spaak was going to announce in Belgian Chamber that this did not amount to even *de facto* recognition. As regards others, Swedish Government had made reserves and not yet given any definite reply,

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[1] In this despatch of January 18 Sir H. Montgomery summarized a debate in the First Chamber of the Netherlands States General on the steps taken or to be taken by the Netherlands Government regarding the recognition of the King of Italy as Emperor of Ethiopia. Cf. No. 404, note 8.

[2] In Geneva telegram No. 8 Saving of January 29 Mr. Eden reported M. Spaak as saying that 'his Government had no present intention of according *de jure* recognition of the Italian conquest of Abyssinia', but that the position was 'embarrassing' and a strong body of opinion in Belgium favoured recognition. A memorandum on the subject handed to Mr. Eden by M. Spaak on January 29 is filed at R 875/7/22.

Danish, Norwegian and Finnish Governments had declined to take part, Norwegian Government had expressed view that it was matter for big Powers. Finnish Government were of opinion that under Dutch proposal not enough countries would be taking part to make step desirable.

6. I said that I would at once report M. Patijn's communication to my Government. I of course made no comment on Netherlands Government's decision.

7. M. Patijn said that he was not *asking* His Majesty's Government to offer any observations though he would of course be interested to hear any that they might wish to make.

8. He said step which his Government were taking was primarily designed to regulate their position with Italy but that they also had in mind possibility of contributing to general *détente* (see in this connexion penultimate sub-paragraph of paragraph 4 of my despatch No. 36);[3] their action indicates in no way move towards Berlin-Rome axis.

Repeated to Geneva and Saving to Brussels, Copenhagen, Stockholm, Oslo and Helsingfors.

[3] This paragraph reported remarks by M. Patijn to the effect that the *de jure* issue was 'clouding the international atmosphere'.

No. 477

Foreign Office to Sir N. Henderson (Berlin)

No. 10 Telegraphic [*C 527/184/18*]

FOREIGN OFFICE, *January 27, 1938, 10 p.m.*

My telegram No. 18.[1]

Prime Minister would be glad if you could return here for consultation next week. Could you be here on Monday?[2]

You might let Minister for Foreign Affairs know privately that you have been instructed to return for a few days to take part in work on which His Majesty's Government have been engaged for following up Halifax conversations.[3]

Repeated to Geneva No. 4.

[1] No. 468.

[2] In telegram No. 16 of January 28, telephoned to the Foreign Office at 12.25 p.m., Sir N. Henderson replied that he would arrive at Brown's Hotel in London on the afternoon of Sunday, January 30.

[3] Commenting in his diary (*op. cit.*, p. 80) on this telegram and on Nos. 471 and 472, Mr. Harvey wrote: This [Berlin telegrams 12 and 13] is exactly the reply we expected and is exactly what the P.M. won't face. Here again the P.M. is pushing ahead too fast; he is determined, I feel, to get in before Roosevelt, and we shall have fresh trouble as soon as we return . . . The P.M. didn't even refer to A.E. before summoning Henderson back.' See also *Facing the Dictators*, *op. cit.*, p. 519.

A memorandum by Baron von Neurath of a conversation with Sir N. Henderson concerning his recall to London is printed in *D.G.F.P.*, Series D, vol. i, No. 108. It is dated January 26, but it seems clear that the conversation cannot have taken place before January 28.

No. 478

Minute by Sir R. Vansittart for Mr. Eden

[C 678/42/18]

FOREIGN OFFICE, *January 27, 1938*

I saw Monsieur Flandin twice when I was in the South of France. He was very full of his recent visit to Germany.[1] Putting it briefly, he has come back very frightened. He says it is perfectly clear that Germany is aiming at nothing less than complete domination of Europe (all our own information confirms this), and he thinks it will be exceedingly difficult to prevent her from achieving this. There is however in his opinion a possibility of stopping it by negotiation now, only he thinks speed will be necessary.

He had another point to make of considerable importance, though in considering it we must also remember that he is in opposition. He takes it for granted, as indeed we all do, that there will be no settlement of colonial cessions to Germany without as complete as possible provisions for peace in Central Europe, i.e. not only no use of force but no interference. For this purpose he considers that considerable concessions will have to be made by the Czechoslovak Government. Here again I think we agree with him. He then proceeds to say that we shall have to put much greater pressure on the French Government than has heretofore been the case in order to ensure that such concessions are made. This is where it has to be remembered that he is in opposition. All the same, I never believe that the French have supported us as well as they should have done at Prague in urging timely concessions as the Czech contribution to a general settlement where everybody will have to make contributions.

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[1] See No. 388, note 1.

No. 479

Mr. Palairet (Vienna) to Foreign Office (Received January 28, 8.55 p.m.)

No. 6 Telegraphic [R 834/137/3]

VIENNA, *January 28, 1938, 7.50 p.m.*

Austrian authorities arrested Dr. Tavs, the National Socialist Chief of Staff, on January 26th on account of provocative article which he published in a Czechoslovak newspaper. They subsequently searched National Socialist Headquarters in Vienna. Mass of documents were confiscated which will take some time to examine and offices were closed. In Dr. Tavs's private desk was found document containing detailed plan for German intervention in Austria during 1938.

I understand that Federal Chancellor[1] attaches importance to this document but that his view is not shared by some of his advisers who consider it is private work of Dr. Tavs and that it has not a German origin. The Austrian authorities expect to obtain from seized documents corroboration of breaches of Austro-German agreement by Germany. I understand that German Legation has not so far intervened.

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[1] Dr. Schuschnigg.

Large number of persons including Captain Leopold[2] have been examined by police. Leopold was not detained but has been ordered to hold himself at disposal of authorities.

I shall be seeing State Secretary tomorrow.[3]

Copy to Berlin Saving telegram No. 3.

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[2] Captain Josef Leopold was Leader of the Austrian N.S.D.A.P. Under his direction the Austrian Party was engaged almost exclusively in illegal activities, despite Herr Hitler's preference for more lawful procedures: see the complaint of Dr. Wilhelm Keppler that as a result '*Landesleiter* Leopold's work was always opposed to the efforts of the Foreign Ministry [in Berlin], of Dr. Seyss-Inquart, and of myself' (*D.G.F.P.*, Series D, vol. i, No. 289).

[3] Mr. Palairet described this meeting in his telegram No. 8 of January 29; the State Secretary assured him that 'Tavs affair was causing Austrian Government no alarm: on the contrary they welcomed it as means of clearing atmosphere and of proving that National Socialists did not keep 1936 agreement which they were always accusing Austrians of breaking'. A minute by Mr. Eden read: 'All quiet so far, at least. A.E. Feb.3.'

No. 480

Foreign Office to Sir R. Lindsay (Washington)

No. 84 Telegraphic [*A 2127/64/45*]

Very Secret FOREIGN OFFICE, *January 28, 1938, 11 p.m.*

Following from Prime Minister.

Your telegrams Nos. 77[1] (penultimate paragraph) and 84.[2]

It would be convenient to us to know more or less when we may expect President's reply to my messages. So long as we do not know his views and intentions it is very difficult for us to make any arrangements as to future action in regard to either our German, Italian, or Chinese policy. Up till now we have been able to carry on without arousing suspicions, but a further prolongation of the present state of suspense will become increasingly difficult to explain.

This is particularly the case as regards the Italian problem, for we have now explored the situation with the French and, as shown in my immediately following telegram,[3] have reached an agreement with them as to the lines which the contemplated Anglo-Italian conversations should follow.

In the case of Germany I have summoned His Majesty's Ambassador in Berlin home for consultation.[4] In doing so I considered it necessary in order to check German suspicions that he should tell Herr von Neurath that he was proceeding to London in order to take part in work on which His Majesty's Government had been engaged in following up the Hitler-Halifax conversation.

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[1] No. 460. [2] No. 463. [3] A repeat of No. 473. [4] See No. 477.

As regards China, we are constantly being pressed by the Chinese to know whether they can expect any assistance from us and what may be the prospects of American cooperation in any form, and they imply that we could encourage United States Government to take a more forward attitude.

I do not wish to suggest that you should make any direct enquiries as to when the President's reply may be expected if you think that this would be misunderstood or resented, but I should be glad to know your own impressions as to how long we may still have to wait, so that we may make our own arrangements accordingly.

No. 481

Mr. Edmond (Geneva) to Foreign Office (Received January 31)

No. 6 Saving: Telegraphic [*R 852/23/22*]

GENEVA, *January 28, 1938*

Following from Secretary of State.

Lord Cranborne and I had some further conversation[1] with M. Delbos this evening on the subject of conversations with Germany and Italy. M. de Tessan[2] and M. Massigli were also present.

As regards Italy, M. Delbos confirmed what he and M. Chautemps had said to me in Paris about their readiness to contemplate a general settlement as a result of which the French Government would be willing to grant *de jure* recognition of Italian sovereignty in Abyssinia. Among the subjects to be included in the settlement he recalled that special importance would be attached by France to the Italian troops in Libya and even more so to the situation in Spain. As regards Spain a satisfactory settlement was in fact a *sine qua non* and the French Government would be unable to agree to recognition being actually granted until the foreign troops had been withdrawn, and the agreement long since entered into implemented at last. It would indeed be impossible to hold conversations for an appeasement which for its success must depend on confidence in her undertakings if Italy was all the time acting in violation of pledges given. In this connexion M. Delbos said that M. Corbin had just reported that the German and Italian Ambassadors at the Non-Intervention Committee had in the last few days adopted a more obstructive attitude in contrast with their more accommodating previous behaviour, which led him to fear that Italian Government were contemplating the despatch of further men and material to Spain.[3] Such action on the part of Italy would obviously be fatal to the opening of conversations.

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[1] See No. 473.

[2] French Under Secretary of State for Foreign Affairs.

[3] The reference is to the proceedings of Technical Advisory Sub-Committee No. 3 of the N.I.C., which held its 29th meeting on January 25 to discuss details of the control scheme for Spain as agreed on November 4, 1937: see Nos. 276 and 292. The German and Italian representatives declared themselves unable to accept proposals regarding the numbers and positioning of Observing Officers to be sent to Spain, and the meeting ended in deadlock. Cf. *D.D.F.*, vol. viii, Nos. 36 and 45.

As regards Germany, M. Delbos asked me whether we had yet decided what exactly we were prepared to give Germany in the colonial sphere. This question presented great difficulties for France because, if Germany were once again established in Africa, with the modern development of aviation she would be afforded a most valuable strategic position. This applied particularly to the Cameroons and must affect the position of Great Britain no less than that of France. It all depended on whether Germany was likely to be peaceful or not. If he could be convinced of the former, he (M. Delbos) would be prepared to give much. He himself favoured first tackling the smaller questions in order to create a favourable atmosphere for the discussion of the larger which must necessarily raise both great expectations and great difficulties with the respective public opinion. For instance, he favoured beginning with such a matter as the humanisation of war, which was a subject originally initiated by Herr Hitler himself. This had been suggested to M. Delbos by Baron von Neurath when he was passing through Berlin.

In conclusion M. Delbos expressed his conviction that it would be a very grave mistake to embark on conversations with Italy until we had made a serious beginning with those with Germany. It was indeed evident to me that in the mind of the French Government a settlement with Germany was of far greater importance than one with Italy. The French Government were not much alarmed at what Signor Mussolini might do and they felt unable after past experience to repose any great confidence in his word.

Repeated to Paris No. 2 Saving.

No. 482

The Earl of Perth (Rome) to Foreign Office (Received January 29, 2.15 p.m.)

No. 30 Telegraphic [*R 837/23/22*]

ROME, *January 29, 1938, 1.45 p.m.*

Your telegram No. 13.[1]

I await arrival of record of conversations of January 25th with interest and with anxiety as regards future of Anglo-Italian relations. Meantime I think I ought to inform you that those who are genuinely anxious for a reconciliation between Italy and England are continually pointing out to me that it is essential that something substantial should be effected before Herr Hitler's visit to Rome which I gather will probably take place in the first days of May.[2]

If, therefore, some action at Geneva is a pre-requisite to progress may not the present be the last remaining opportunity before the date mentioned?

[1] This Foreign Office telegram of January 28 referred to No. 473 and said that a record would be sent to him by bag on January 31.

[2] See Third Series, Volume I, No. 168.

CHAPTER VI

Preparations for negotiations with Germany and Italy: Dr. Schuschnigg's visit to Berchtesgaden: Mr. Eden's resignation: Sir N. Henderson presents British proposals to Herr Hitler

February 1–March 8, 1938

No. 483

Circular despatch to H.M. representatives abroad

[*L 116/116/405*]

FOREIGN OFFICE, *February 1, 1938*

Sir,

In his circular despatch L 116/116/405 of the 7th January,[1] Sir Alexander Cadogan informed you of his appointment to be Permanent Under-Secretary of State for Foreign Affairs in the place of Sir Robert Vansittart, who has been appointed Chief Diplomatic Adviser.[2]

2. I now transmit to you herewith, for your guidance, a memorandum showing the status of the Chief Diplomatic Adviser and the scope of his activities, and have to invite your attention in particular to paragraph 6 of the Memorandum.

I am, etc.,

ANTHONY EDEN

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[1] Not printed: see No. 408.

[2] In the first draft of this circular despatch Sir Robert Vansittart was referred to as 'Chief Diplomatic Adviser to H.M.G.' The words 'to H.M.G.' were subsequently deleted, and the circular went out in this amended form.

ENCLOSURE IN No. 483

Memorandum on status of Chief Diplomatic Adviser and scope of his activities

FOREIGN OFFICE, *January 22, 1938*

The following instructions are issued for the guidance of the Foreign Office and Diplomatic Service in connexion with the newly-created post of Chief Diplomatic Adviser:

1. With the exception of those referred to in paragraph 4 below, all papers will be submitted by the Under-Secretaries to Sir A. Cadogan and by him direct to the Secretary of State.

2. Papers on which the Secretary of State desires to obtain the advice of Sir R. Vansittart will be so marked by the Secretary of State before returning them to Sir A. Cadogan.

3. All outcoming papers from the Secretary of State will be sent direct to Sir A. Cadogan, who will in his turn send them to Sir R. Vansittart and the Under-Secretary concerned. The latter will (as hitherto) eventually circulate them to the other Under-Secretaries. In the event of a paper requiring urgent action, it will be sent by Sir A. Cadogan direct to the Under-Secretary concerned with a slip bearing the words 'Sir R. Vansittart after action.'

4. As an exception to the foregoing, departmental minutes on Committee of Imperial Defence papers of every description will in future be submitted by Departments direct to Sir R. Vansittart, who, in the absence of the Secretary of State, will represent the Foreign Office at all meetings of the Committee of Imperial Defence itself and, as a general rule, on its more important sub-committees. Such departmental minutes should, however, be made *in triplicate* (if the Committee of Imperial Defence itself is concerned). One of these copies should be sent to Sir A. Cadogan; the other, with the original, to Sir R. Vansittart. Minutes on other Committee of Imperial Defence papers (i.e., those referring to meetings which the Secretary of State will not in any case attend) should be made *in duplicate*, and a copy sent to Sir A. Cadogan.

5. Papers relating to the activities of the British Council and propaganda generally should likewise be submitted direct to Sir R. Vansittart; but if departmental minutes on such papers have any bearing on foreign policy a copy of them should be sent to Sir A. Cadogan.

6. Heads of Missions abroad should, as a general rule, communicate on matters of policy with Sir A. Cadogan; and foreign representatives in London will, also as a general rule, seek interviews of Sir A. Cadogan on all matters of current interest.

ANTHONY EDEN

No. 484

Mr. Eden[1] to the Earl of Perth (Rome)

No. 132 [*R 930/23/22*]

FOREIGN OFFICE, *February 1, 1938*

My Lord,

During the course of my interview with Count Grandi this afternoon, I told His Excellency that I had hoped to be in a position this afternoon to carry our discussion a stage further on the subject of the pending conversations between our two Governments.[2] Unfortunately, I was not yet in a position to do this for reasons which I feared I could not expound to him, but which I begged him to believe in no way indicated any reluctance on our part to come to a decision on this matter. As Count Grandi would have anticipated from our previous conversation, I had in fact mentioned this subject to the French Government and other nations at Geneva. I could not yet disclose to him the result of those conversations, but I could say definitely that those conversations had tended to eliminate rather than to increase the difficulties which had previously presented themselves.

2. His Excellency replied that this was indeed good news, and he was much encouraged by it. He fully understood, of course, himself the difficulties of the question and made no complaint whatever about the delay in the making of any further intimation.

I am, etc.,
ANTHONY EDEN

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[1] Mr. Eden returned to the Foreign Office on January 31.

[2] Cf. No. 450.

No. 485

Sir R. Lindsay (Washington) to Mr. Eden (Received February 3, 9.30 a.m.)

No. 106 Telegraphic [*A 2127/64/45*]

Important Very Secret WASHINGTON, *February 2, 1938, 7 p.m.*

Your telegram No. 84.[1]

Yesterday I gave substance of this to Under Secretary of State for Foreign Affairs and he passed it on to the President. Under Secretary of State for Foreign Affairs told me today that the President's answer was to request His Majesty's government to 'hold back their horses' for a few days yet, and that then he expects to have his ideas more clear as to when he could proceed.

Under Secretary of State for Foreign Affairs said that this answer refers exclusively to the President's plan and not to question of His Majesty's Government's conversations with Rome and Berlin involving question of recognition of Abyssinia. On this latter question Under Secretary of State for Foreign Affairs said that the position of the United States Government was made clear in the President's message of January 17th.[2] He repeated the phrase that recognition may at some appropriate moment have to be regarded as an accomplished fact and that it should form part of the measure of world appeasement, and he also uttered a warning of the ill effects which would result from it being granted in a bilateral agreement which might have the appearance of being purely selfish. But he also made it clear in reply to my question that statement of conditions in which it is intended to grant recognition (in Prime Minister's message of January 22nd[3]) substantially meets the point made by the President.

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[1] No. 480.

My last words as I left were 'then I assume that my Government may go ahead with their conversations with Rome and Berlin' and his answer was 'I can think of no reason whatever why they should not do so'.

[2] No. 446. [3] No. 458.

No. 486

Extract from Cabinet Conclusions No. 3(38) of February 2, 1938

[*W 1572/83/41*]

2. Everyone at Geneva had expressed concern about Spain. There was considerable apprehension as to the likely effect of General Franco's recent failures on Signor Mussolini, who would be faced with a fresh decision and would have to choose between going deeper into the mire or cutting his losses.[1] He himself[2] had carefully examined all the information available in the Foreign Office on the subject of recent Italian activities in Spain. He had come to the conclusion that Signor Mussolini had sent a certain number of airmen to Majorca, as well as more than 4,000 men to Spain. This figure appeared to include a number of officers, perhaps to restore the *morale* of the Italian soldiers, with whom service in Spain was reported to be unpopular. In any event Signor Mussolini was faced with a grave decision.

[1] Cf. No. 406, note 1. Bitter fighting continued at and around Teruel throughout January, and although the Nationalist forces achieved victory by the middle of February they had suffered many reverses and casualties were very high. Entries in *Ciano's Diary, op. cit.*, for this period reflect Italian anxieties about General Franco's prospects of ultimate success: see especially pp. 68–71. [2] I.e. Mr. Eden.

No. 487

Mr. Eden to Sir E. Phipps (Paris)

No. 208 [*W 1473/11/41*]

FOREIGN OFFICE, *February 2, 1938*

Sir,

I asked the French and Italian Ambassadors to come and see me this afternoon, when I told them that, as I had already explained to them, His Majesty's Government have been greatly concerned by the attack on the British merchantship *Endymion*, an attack for which there was no justification of any kind.[1] In the circumstances the matter had been fully considered by the Cabinet this morning and we felt it necessary to take further steps in the area for which we were responsible in the Western Mediterranean in order to deal with the situation. I then handed their Excellencies copies of the attached memorandum.[2] I further explained that we had already made arrangements to strengthen our naval patrols in the area concerned. We should be glad to know in due course whether the other Governments concerned contemplated any similar action and, if so, I had no doubt that our Admiralty would welcome consultation on the subject as had previously taken place.

2. The Italian Ambassador asked me whether it was our intention to take this step in any event. I replied that, as I had informed his Excellency yesterday, we were anxious to consult the two other Powers carrying out the patrols—hence this meeting. We hoped that there would be approval of the course we were contemplating, but I must make it clear to him that, in view of what had happened, I saw no likelihood of His Majesty's Government being willing to revise the decision to which they had come since they considered it essential for the protection of shipping in the area for which they are responsible. I explained that we were not asking other Governments to take similar action unless they so desired.

3. The French Ambassador mentioned that it would, of course, be possible to point out that this proposal had been considered before. I replied that this, of course, was so, but as it had been discussed at a period in the Nyon Conference before Italian participation I had not, therefore, thought it necessary to mention this. The Italian Ambassador said that he quite understood that.

4. The French Ambassador mentioned that his Government would, no doubt, be concerned in this matter from the point of view of their own submarines, which often went to and fro from France to North Africa. He

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[1] The British steamer *Endymion* was reported sunk 16 miles off the Spanish coast on January 31 with the loss of eleven passengers, including a Swedish non-intervention observer. In a telegram of February 1 to the Admiralty the Vice Admiral Commanding Battle Cruiser Squadron at Palma, Majorca, reported that the Italian Admiral Moreno had admitted that an Insurgent submarine had been operating in the area on January 31. Although it was later denied that this submarine had fired any torpedoes, it was suspected that the Italians were provoking Insurgent submarines to attack British ships.

Questions were asked in the House of Commons on February 1, and on February 2 Mr. Eden made a statement in reply to a question from Mr. Attlee, expressing the deep concern of His Majesty's Government and their determination to prevent any recurrence of such an attack (331 *H.C. Deb.* *5 s.*, col. 233). He announced that he would be meeting the French and Italian Ambassadors to discuss measures to be taken. In fact instructions had already been given that the Nyon naval patrols, which had been reduced by general agreement at the beginning of January, should be reconstituted, and the Vice Admiral at Palma was told to inform Admiral Moreno that 'as a result of this piratical attack it is our intention to hunt every submarine found outside three mile limit with object of establishing its identity'.

[2] See Annex to this document.

understood, however, that under the Nyon Agreement submarines always travelled on the surface except in the training areas agreed upon by the Nyon Agreement. I concurred in this statement.

5. Finally, the Ambassadors undertook to refer the matter to their Governments and to communicate with me again as soon as possible.

(A similar despatch has been addressed to His Majesty's Ambassador at Rome.)

I am, etc.,
ANTHONY EDEN

ANNEX TO NO. 487

Memorandum

His Majesty's Government are deeply concerned at the attack which was made on the 31st January upon a British merchant-ship, the *Endymion*, in circumstances which constitute a clear violation of the rules of international law. In accordance with the arrangements made under the Nyon Agreement, the British naval patrols in the area in which the attack took place have been instructed to search for submarines, but it has not so far been possible to identify and counter-attack the vessel by which the *Endymion* was attacked in the conditions defined in articles 2 and 3 of the Nyon Agreement.

His Majesty's Government feel that it is urgently necessary to take strong measures to meet this revival of piracy. They consider that, in view of the grave risks to which shipping is exposed in the Western Mediterranean, as evidenced by the attack on the *Endymion*, they must now proceed to take more drastic measures than those contemplated in the Nyon Agreement. They, therefore, propose to reserve to their warships the right from now onwards to destroy any submarine found submerged in the zone in the Western Mediterranean reserved to British naval patrols.

They have, therefore decided to inform the French and Italian Governments, as being the two Powers jointly concerned with them in carrying out the naval patrols in the Mediterranean Sea, of their intentions as stated above. They propose so to notify the two parties in Spain.

No. 488

Draft conclusions of the 22nd meeting of the Cabinet Committee on Foreign Policy, held in the Prime Minister's room, House of Commons, on Thursday, February 3, 1938, at 4 p.m.

[*C 800/42/18*]

Secret

PRESENT: Mr. N. Chamberlain (*in the Chair*); Sir J. Simon, Lord Halifax, Lord

Hailsham, Sir S. Hoare, Mr. A. Eden, Mr. M. MacDonald, Mr. W. Ormsby Gore, Sir T. Inskip, Sir N. Henderson, Sir R. Vansittart, Sir H. Wilson, Sir A. Cadogan, Sir M. Hankey (Secretary), Sir R. Howorth (Assistant Secretary).

1. *Germany.* With reference to F.P.(36) 21st Conclusions, Minute 2,[1] the Committee had before them the Papers (F.P.(36)39,[2] 40[3] and 41)[4] under consideration at that Meeting and also a Memorandum by the Secretary of State for Foreign Affairs entitled 'The German Contribution towards General Appeasement' (F.P.(36)43)[5] and a further Memorandum (F.P.(36)46)[6] by the Secretary of State covering despatches from His Majesty's Ambassador in Berlin.

The Prime Minister observed that that afternoon the Committee would have the advantage of the presence of Sir Nevile Henderson,[7] and would no doubt wish to hear his reactions to the ideas which had been under discussion at the last Meeting. He (the Prime Minister) and the Secretary of State for Foreign Affairs had that morning conferred with Sir Nevile Henderson, and no doubt the Committee would now be glad to receive Sir Nevile's appreciation of what was proposed and also his views as to the way in which the German Government might be expected to react to the suggestions.

Sir Nevile Henderson said that before leaving Berlin he had informed the German Government[8] that he was coming to London to discuss with British Ministers the question how best to implement Lord Halifax's visit to Germany in November last. On his return to Berlin he proposed to inform the German Government that he had found Ministers in London poring over the map of Africa and very concerned indeed at the gravity of the difficulties and obstacles in the way of any settlement of Germany's Colonial demands. Moreover, he had found public opinion in the United Kingdom very sensitive and very far from reconciled to the idea of a return to Germany of those of her former Colonies which the United Kingdom now held under mandate. His Majesty's Government had, however, devoted much time and consideration to the problem, with a view to seeing what progress was possible, and among other proposals which had been under consideration was the establishment in those parts of Central Africa roughly corresponding to the Congo Basin of a new regime of Colonial administration to be introduced and accepted by the general agreement of the Powers interested in tropical Africa. The arrangements within the area would be based on the complete [e]quality of the Powers concerned and on their all being subjected to certain limitations in regard to the parts to be administered by them under the scheme. Germany would be brought in to the arrangement by becoming one of the African Colonial Powers in question and by being given certain territories to administer. The British Government desired to know whether the German Government were prepared to accept in principle a solution on these lines.

He would also make it clear beyond possibility of doubt that this proposal must be treated and regarded as one item in a general arrangement designed to secure the appeasement of Europe, and he would emphasise that while we were prepared to discuss the Colonial questions we were not prepared that that question should be dealt with in isolation, and that we should expect the German Government to bring into the common pool Germany's contributions towards the general appeasement and future security of Europe.

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[1] See No. 465.
[2] No. 336.
[3] No. 354.
[4] No. 409.
[5] No. 469.
[6] Not printed.
[7] Cf. No. 477.
[8] See *ibid.*, note 3.

He (Sir Nevile Henderson) would also find out the views of the German Government on the proposal contained in the Plan that any territory returned to Germany under the plan would not be returned in full sovereignty, but would be subject to various restrictions, such as the demilitarisation of the area, preservation and protection of native rights and privileges, freedom of communications, etc. Having ascertained the views of the German Government it was not proposed that he should proceed any further until after he had reported back to London and received further instructions.

THE SECRETARY OF STATE FOR THE COLONIES hoped that in explaining what was proposed to the German Government Sir Nevile Henderson would emphasise and underline the fact that the precedent of the Berlin Act of 1885[9] was being followed.

SIR NEVILE HENDERSON said that he would not fail to remind the Germans of this precedent.

THE SECRETARY OF STATE FOR FOREIGN AFFAIRS thought that the Committee would also like to hear Sir Nevile Henderson's views on the procedure to be followed if we were to secure the best possible results out of negotiations with Germany.

SIR NEVILE HENDERSON thought that the German Government would not be greatly thrilled by what was proposed, and would certainly not be satisfied unless, in addition, they were granted some territory over which they could exercise full sovereign rights and call their own.

THE PRIME MINISTER said that no doubt the Germans would ask many questions on matters of detail, including particulars of the size, location, etc. of the territory to be assigned to Germany under the scheme. In his view Sir Nevile Henderson should refuse to answer any of these questions, but should endeavour to ascertain whether Germany would accept the scheme in principle, at the same time making it clear that this Colonial issue was only one of a number of problems, all of which would have to be covered and solved before any agreement could be arrived at.

SIR NEVILE HENDERSON informed the Committee that before leaving Berlin he had had a talk with Herr von Ribbentrop, the results of which were summarised in his despatch of the 26th January, 1938,[10] attached to Paper No. F.P.(36)46. He had subsequently informed Baron von Neurath of the up-shot of this conversation. Baron von Neurath had asked what contribution to be made by Germany towards peace and general appeasement in Europe was contemplated. He, Sir Nevile, had replied that he could only express a personal opinion on the details as distinct from the principle, but he thought, in the first place, that Germany could make a great contribution if she would co-operate in helping to stop the armaments race by agreeing to some form of limitation of armaments and, in particular, by agreeing to the abolition of bombing aeroplanes or, failing abolition, some measure of qualitative restriction on the size of such aeroplanes. To this proposal Baron von Neurath had not expressed dissent. Secondly, Germany could help by agreeing to return to the League. Baron von Neurath said that this was quite hopeless and that Germany would never return to the League until the League itself had modified the Covenant. In that event a new situation will be regarded as having arisen and Germany might be prepared to consider resuming her membership. Thirdly, he, Sir Nevile, had suggested that the problem of Czechoslovakia might be solved if Germany would make a long-term agreement for, say, 20 years with Czechoslovakia similar to the agreement she had made with Poland. Baron von Neurath had seen no difficulty in regard to this. Fourthly, with regard to Austria, Baron von Neurath's attitude was that Austria was behaving badly and that he could make no promise of any kind with regard to her.

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[9] See No. 226, note 1.

[10] No. 474.

THE HOME SECRETARY doubted whether it was wise for Sir Nevile Henderson to begin his conversations with the German Government by saying that on arriving in London he had found United Kingdom Ministers examining the map of Africa. This would give the Germans quite the wrong impression, that we were concentrating on the Colonial issue to the exclusion of other aspects of the problem. It would be much safer and more in accordance with the facts if Sir Nevile were to say that he had found the Ministers in London engaged on an examination of all the subjects which would have to be discussed before any settlement could be reached. As, however, it was understood that the Germans wished first to know our views on the Colonial problem he was prepared to inform them of those views, on the clear and distinct understanding that this Colonial matter could not be treated in isolation and that there were other very important subjects on which Great Britain would have to be satisfied.

THE CHANCELLOR OF THE EXCHEQUER agreed with the Home Secretary and emphasised the importance of making it clear at the outset to Germany that there must be no idea that she would be able to get away with some kind of settlement on the colonial question leaving the other questions to be discussed at some future time. It was imperative, in the view of British Ministers, that the settlement to be reached should be a comprehensive one and should cover both Germany's *desiderata* and the *desiderata* of ourselves and other parties to the agreement.

SIR NEVILE HENDERSON said that he fully agreed with the view that the discussions on the various topics must proceed simultaneously and that there could be no possible question of final agreement being reached on the colonial issue, unless agreement was also reached on the other issues. Before leaving Berlin he had made no special reference to the colonial question and had merely said that he was going to London to confer on the implementing of Lord Halifax's visit to Germany.

THE CHANCELLOR OF THE EXCHEQUER said that, in outlining the Prime Minister's plan for a new colonial regime in Central Africa, it would be very important to explain to the Germans that Germany alone would not be subjected to the restrictions and limitations. It should be made clear that the same restrictions and limitations would be applied to all the Powers administering territory within the area covered by the scheme.

SIR NEVILE HENDERSON said that he fully understood and would make this clear to the German Government.

THE PRIME MINISTER thought that Sir Nevile Henderson might open conversations by saying that British Ministers had been giving much consideration to the question of how best our relations with Germany could be improved. We were ready to make our own contribution to this end, provided other Powers, including Germany, made their contributions. He entirely agreed with the Chancellor of the Exchequer that the Germans must not be given the impression that settlement in isolation of the colonial question could be reached and the discussion of the remaining issues postponed to some future time.

THE SECRETARY OF STATE FOR FOREIGN AFFAIRS observed that after the conversation that morning the Prime Minister had suggested that the Foreign Office should draft instructions to Sir Nevile Henderson as to the line which he should take with the German Government. A very rough draft had been prepared in the short time available, and copies were handed round at the meeting.[11]

THE CHANCELLOR OF THE EXCHEQUER thought that the draft would require some further editing. For example, he thought that the sentence—'Public opinion might be critical if any possible or contemplated change could be regarded as not taking sufficient account of native interests' would excite the Germans, who were very sensitive on this subject. He would prefer to put the point somewhat as follows:

> 'We have been studying a scheme for a new system in Africa which would take account of the interests of the natives and we should ourselves be prepared to come into a common regime under this scheme.'

THE HOME SECRETARY pointed out that in the opening sentence of the draft Sir Nevile Henderson, on returning to Berlin, was to inform Baron von Neurath that he had had some discussion with the Government on the colonial question. This raised the difficulty to which he, Sir Samuel Hoare, had already drawn attention. Stated in this way, the Colonial question was being given undue prominence and was being treated as though it was much the most important of the points at issue.

THE LORD PRESIDENT OF THE COUNCIL said he hoped that the draft would open with a passage on the lines which had been suggested by the Prime Minister.

THE SECRETARY OF STATE FOR THE COLONIES said that there were several passages in the draft to which he strongly objected; for example, the passage in the last paragraph which read:

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[11] This rough draft has not been found in the F.O. archives, but see Appendix to this document.

> '. . . but we should add the assurance that of course nothing would be contemplated on our part which did not involve a full contribution on the part of His Majesty's Government at least as great as any contribution that might be made by the French Government'.

THE SECRETARY OF STATE FOR FOREIGN AFFAIRS said that both the Prime Minister and himself had used words to this effect.

THE PRIME MINISTER thought that what he had undertaken was that our contribution should be equivalent to any contribution made by the French Government.

THE CHANCELLOR OF THE EXCHEQUER observed that at present the position was that, whereas the return to Germany of colonial territory was a definite and concrete proposition, the *quid pro quo* which we were to receive in the shape of contributions by Germany was quite abstract and indefinite. It was imperative that the Germans should be made to realise that the *quid pro quo* contributed by Germany was every bit as important to us as the return of her colonies was to Germany.

SIR NEVILE HENDERSON said that he had emphasised this aspect of the matter in recent conversations which he had had with Baron von Neurath and others.

THE HOME SECRETARY enquired whether it would not be possible for Sir Nevile to press the Germans strongly on the question of the abolition of bombing aircraft.

SIR NEVILE HENDERSON agreed, and said that the speech of the Secretary of State for Foreign Affairs in the debate in the House of Commons on the previous evening[12] would undoubtedly have made a very great impression in Germany and he hoped to be able to make effective use of it in Berlin.

THE PRIME MINISTER enquired whether any reference to the Western Pact was to be made.

THE SECRETARY OF STATE FOR FOREIGN AFFAIRS said that he would like to consider whether our *desiderata* in regard to this matter could not be obtained more satisfactorily in some other way, e.g., by some form of declaration made by each of the Powers concerned.

SIR NEVILE HENDERSON said that the Western Pact was intensely disliked in Germany.

THE PRIME MINISTER said that he was relieved to hear that the Secretary of State for Foreign Affairs favoured the substitution of some simpler machinery for the cumbrous procedure of the proposed Western Pact.

SIR NEVILE HENDERSON though that it was possible that something rather like the proposed Western Pact might eventually emerge out of the negotiations with Germany.

THE LORD CHANCELLOR asked what was likely to be the attitude of France if the idea of a Western Pact was abandoned.

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[12] See 331 *H.C.Deb. 5 s.*, cols. 337–41.

The Lord President of the Council thought that, however the suggested declarations were worded, we should still have to turn the ugly corner of France's relations with Soviet Russia and other Eastern European countries.

The Secretary of State for Foreign Affairs repeated that it might be possible for Germany to make some arrangement with Czecho-Slovakia similar to the arrangement she had made with Poland.

Sir Nevile Henderson agreed, but pointed out that it would first be necessary for Czecho-Slovakia to escape from the arrangements she had made with Soviet Russia.

The Home Secretary hoped that it would be possible to make an Air Pact with Germany on the basis of qualitative limitation of aircraft, and particularly of bombing planes. Agreement in regard to matters such as the limitation of the weight of bombing aircraft would be of very great value.

The Minister for Co-ordination of Defence though that so far as the Western Pact was concerned Baron von Neurath's statement about the League of Nations was the obstacle, and that so long as Germany maintained that view we were up against a brick wall.

Sir Nevile Henderson thought that it would be a mistake to drop the question of Germany's return to the League, and that the better course would be to try to find out precisely on what conditions Germany was prepared to resume her membership.

The Secretary of State for Dominion Affairs agreed and said that he gathered from Sir Nevile Henderson's account of his conversations with Baron von Neurath that the position in regard to the possible return of Germany to the League was more hopeful than might have been expected from the terms of Germany's recent published declaration on the subject.[13] At the same time, he realised that in any event a very long time must elapse before Germany returned to the League.

The Lord Chancellor thought that in the forthcoming negotiations it would be valuable for us to have some *desiderata* which we could, if necessary, abandon. From this point of view it would be desirable to include Germany's return to the League among the contributions which we expected Germany to make.

Sir Nevile Henderson agreed, and said that in his conversations with Baron von Neurath and other German leaders he had always stressed the importance we attached to this particular point.

The Home Secretary thought that it was imperative that Germany should make some concrete contribution which could be put against the concrete proposition of the return of her Colonies. No doubt it would be very difficult to arrange for this, but some measure of air disarmament on a qualitative basis looked, on the whole, the most promising form of contribution, and he personally would greatly prefer an arrangement which included a satisfactory agreement on air disarmament to one which dealt with somewhat abstract matters, like the Western Pact.

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[13] See No. 393, note 2.

Sɪʀ Nᴇᴠɪʟᴇ Hᴇɴᴅᴇʀsᴏɴ said that he had always endeavoured to emphasise the importance of some measure of air disarmament, because this was a matter on which Germany could make a quite definite, tangible contribution. In regard to other matters (Western Pact, League of Nations, etc.) all we could hope to get would be assurances which might, or might not, be implemented later on.

Tʜᴇ Sᴇᴄʀᴇᴛᴀʀʏ ᴏғ Sᴛᴀᴛᴇ ғᴏʀ Fᴏʀᴇɪɢɴ Aғғᴀɪʀs observed that our fundamental essentials should be, in the material sphere, some substantial measure of air disarmament, and, in the political sphere, some satisfactory solution of Germany's controversies with Czecho-Slovakia.

Sɪʀ Nᴇᴠɪʟᴇ Hᴇɴᴅᴇʀsᴏɴ observed that it was never possible to be sure whether Baron von Neurath, Herr von Ribbentrop and other German leaders correctly or adequately repeated to Herr Hitler the British point of view as expounded to them by him. It would probably be necessary at a later stage for him (Sir Nevile Henderson) to see Herr Hitler himself.

Tʜᴇ Pʀɪᴍᴇ Mɪɴɪsᴛᴇʀ suggested that the Committee should resume their consideration of the draft Instructions. He was opposed to placing the reference to native interests in the prominent place it now occupied early in the draft. It would be better to bring the reference in later and to make the point that it was no longer possible to deal with natives as though they were mere chattels or livestock, to be freely transferred from one Power to another. As regards the following sentence beginning 'In regard to this particular difficulty . . .' the Prime Minister suggested that this might read 'In considering how to meet this particular difficulty one possible solution has occurred to His Majesty's Government . . .'.

Sɪʀ Nᴇᴠɪʟᴇ Hᴇɴᴅᴇʀsᴏɴ asked whether it might not be desirable to put our suggestions in the most tentative possible form.

Tʜᴇ Mɪɴɪsᴛᴇʀ ғᴏʀ Cᴏ-ᴏʀᴅɪɴᴀᴛɪᴏɴ ᴏғ Dᴇғᴇɴᴄᴇ thought that this might be desirable so that in the event of a breakdown at an early stage of the negotiations we should be able to reformulate our suggestions in somewhat different terms.

Tʜᴇ Sᴇᴄʀᴇᴛᴀʀʏ ᴏғ Sᴛᴀᴛᴇ ғᴏʀ Dᴏᴍɪɴɪᴏɴ Aғғᴀɪʀs pointed out that if our proposals were made in too tentative a form the Germans might reject them off-hand in the hope of getting substantially better terms.

Tʜᴇ Pʀɪᴍᴇ Mɪɴɪsᴛᴇʀ observed that the passage in the concluding paragraph of the draft, to which the Secretary of State for the Colonies had already raised objection, went further than he (the Prime Minister) thought it necessary or desirable to go. It would be sufficient for us to say in effect that we contemplated that our Colonial contribution would be equivalent to any Colonial contribution made by the French Government.

Sɪʀ Nᴇᴠɪʟᴇ Hᴇɴᴅᴇʀsᴏɴ enquired whether he was at liberty to inform the French Ambassador in Berlin of the general attitude of His Majesty's Government. So far he had told the French Ambassador no more than he had told Baron von Neurath, namely, that he was going to London to discuss the implementing of Lord Halifax's visit to Germany.

Tʜᴇ Pʀɪᴍᴇ Mɪɴɪsᴛᴇʀ said that Sir Nevile Henderson should not tell the

French Ambassador more than the Secretary of State for Foreign Affairs was disclosing to the French Government.

The Secretary of State for Foreign Affairs said that at the present stage he merely intended to tell the French Government that we were sounding Germany on the outlines of the proposals. The difficulty was that the Germans would certainly pass on to the Italians all that we said to them, and the Italians might be expected to try and make mischief out of this knowledge.

Sir Maurice Hankey suggested that we might ask the Germans only to tell the Italians what we ourselves told the French.

Sir Nevile Henderson said that this could be done, but the question was whether the Germans would be able to abide by the arrangement. If they did so, it would be evidence of their good faith in the matter.

The Prime Minister said that he was very much afraid of a leakage at the present stage. He suggested that the draft instructions to Sir Nevile Henderson should now be re-written in the light of the discussion and copies circulated to the Committee.

The Secretary of State for Foreign Affairs read to the Committee the following formula which the Chancellor of the Exchequer suggested should be substituted for the words 'on the Colonial question' in line 4 of the draft:

> '. . . Government occupied with study of *bases* of possible agreement. His Majesty's Government realised importance Germany attached to colonial question and, as part of a whole, His Majesty's Government were considering possible methods of meeting the claim. On the other side, His Majesty's Government attached equal importance to effective limitation of armaments. . .'

It would of course be understood that our other *desiderata* would also have to be mentioned.

The Chancellor of the Exchequer suggested that if possible Sir Nevile Henderson should specifically refer to the abolition of bombing aeroplanes as one of the matters to which we attached very great importance.

The Home Secretary hoped that it would be made clear to the Germans that we were considering, and had very definite ideas on, important subjects other than the Colonial question.

The Chancellor of the Exchequer agreed, but pointed out that we must convince the Germans that we were really serious in desiring a settlement of the Colonial issue. He did not, however, take the same view about Germany's return to the League of Nations, but would include that question among our *desiderata* at the outset.

The Prime Minister thought that we might say something to the effect that while we were in favour of an all-round reduction and limitation of armaments we recognised that this was a matter which must in the most favourable conditions take a very long time to arrange, and that we therefore did not think it right to wait until an all-round and comprehensive agreement on armaments could be reached, but would like to make a start with some limitation of air armaments. In taking some such line as this we should in fact be closely following Herr Hitler's own views on the subject.

THE HOME SECRETARY agreed with the Prime Minister. Post-War experience showed that it would have been very much easier if at the outset we could have isolated and concentrated on air disarmament instead of entering into discussions on all-round disarmament.

THE LORD CHANCELLOR enquired whether the Germans would not be likely to say that before they could discuss air disarmament they must know what was likely to be the attitude of Soviet Russia.

THE PRIME MINISTER said that no doubt Soviet Russia would in turn say that they must know what was going to be the attitude of Japan. It might well be that any agreement on the subject of air disarmament which we made with Germany would have to be conditional on its acceptance by Russia and possibly other Powers.

SIR NEVILE HENDERSON saw no objection to our being as precise as possible in regard to our air disarmament requirements.

THE MINISTER FOR CO-ORDINATION OF DEFENCE hoped that this matter would be emphasised in the formula which the Chancellor of the Exchequer had suggested. He attached the greatest possible importance to the matter, and he hoped that it would be made clear to the Germans that this was as important to us as the Colonial question was to them.

SIR NEVILE HENDERSON reminded the Committee that Herr Hitler held very strong views on the question of the bombing of the civil population, and had expressed himself in favour of some arrangement under which bombing should be prohibited in places over 30 miles behind the military front lines.

THE PRIME MINISTER observed that the difficulty of a proposal of this kind was that there was no means of securing its observance. Before the War the use of poison gas had been prohibited, but in the course of hostilities both sides had found good and sufficient reasons for departing from the pre-War convention on the subject. The great advantage of securing the total abolition of the military bombing aeroplane was that the fighter aeroplanes would be so immeasurably superior in speed etc. to any civil aeroplanes converted into bombers that the latter machines would be unable to do any serious mischief.

THE HOME SECRETARY agreed, and pointed out that as regards bombing aeroplanes the heavy machines were the only really dangerous ones.

SIR NEVILE HENDERSON said that he could remind the Germans that Great Britain had always been favourable in principle to the abolition of bombing from the air.

THE PRIME MINISTER expressed the view that an agreement for the abolition of bombing by itself would be of little practical value or use. What was required was an agreement which would in precise terms define a bombing aeroplane and would then provide that all such aeroplanes should be abolished and that no more should be constructed in future. If such an agreement could be made, it would be an enormous advance and of incalculable value to all concerned.

THE HOME SECRETARY thought it was very desirable that Sir Nevile

Henderson should receive the Memoranda which were being prepared by the Air Ministry on the subject of the abolition of bombing aeroplanes as soon as copies were available.

Sir Nevile Henderson warned the Committee that in any case it would not be possible for him to open conversations in Berlin until the present internal crisis in Germany was over.[14]

The Minister for Co-ordination of Defence enquired whether it would be wise for Sir Nevile Henderson to outline our proposals to the Germans until British Ministers had considered and decided on the nature of an alternative offer which might be made if Germany rejected the present proposals out of hand.

The Secretary of State for Foreign Affairs said that he was even more concerned that Ministers should reach an early decision on precisely what Colonial territory we were prepared to return to Germany under the plan.

The Prime Minister thought that the best procedure would be to proceed step by step. We must find out in the first place whether Germany would be prepared in principle to accept a scheme on the lines now contemplated. It must, in any case, be anticipated that considerable time would have to elapse between the various steps, and there would, he thought, be ample opportunities in future for the examination and settlement of all details.

The Minister for Co-ordination of Defence enquired how Baron von Neurath had reacted when Sir Nevile Henderson told him that he was going to London to discuss the implementing of Lord Halifax's visit to Germany.

Sir Nevile Henderson said that Baron von Neurath had not been enthusiastic but had been franker than was usual with him.

The Prime Minister thought that Baron von Neurath's lack of enthusiasm was probably because he imagined that, on his return to Berlin, Sir Nevile Henderson would only be able to make some very small and derisory Colonial offer.

The Secretary of State for the Colonies thought that the Germans had formed the opinion that time was on their side in this matter.

Sir Nevile Henderson agreed, and also thought that the Germans took the view that so long as the Spanish troubles continued there was little or no hope of general appeasement in Europe. General Goering had once said to him that Germany was not so tied to Italy as Great Britain was to France.

The Lord President of the Council said that if Sir Nevile Henderson was asked by the Germans to state precisely what territory would be returned to them he would have to reply that they must proceed on the assumption that they would be satisfied in this respect.

Sir Nevile Henderson asked whether he would be at liberty to refer generally to the Congo Basin territories.

The Secretary of State for the Colonies hoped that emphasis would be laid on the Congo Basin Treaties and the Berlin Act of 1885. Among the restrictions and limitations on the use of the territory he would stress demilitarisation first and foremost, but would refrain from saying how it was proposed to secure observance of this and the other restrictions and limitations, though the Germans should be encouraged to hope that they would be asked to participate in the carrying out of the scheme.

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[14] Cf. No. 492 below.

THE PRIME MINISTER saw very grave objection to Sir Nevile Henderson entering into any discussion at all with the Germans at the present stage in regard to territory to be returned or the details of its future administration, etc. He hoped that any such discussion would be absolutely barred and that Sir Nevile Henderson would answer Germany's enquiries on the lines suggested by the Lord President of the Council, namely, that they should proceed on the assumption that they would be satisfied in this respect.

SIR NEVILE HENDERSON said that it would be almost essential for him to indicate to the Germans the area in Africa which it was proposed to subject to the new regime.

THE PRIME MINISTER thought that there was no objection to Sir Nevile Henderson indicating to the Germans in quite general terms the position of the whole area so long as he was careful to say nothing at all as to the particular territory which Germany might expect to receive within the area.

SIR NEVILE HENDERSON said that he would like to know what answer he was to give in the event of the Germans asking whether, in addition to territory in the area to be subjected to the new regime, they were to receive any other territory in full sovereignty? This was important because the attitude of the Germans towards the scheme as a whole might very well depend on whether they could be satisfied in regard to this matter.

THE PRIME MINISTER thought that the answer to be given to the Germans should be that the matter was one for discussion but that the idea of returning some African territory to Germany in full sovereignty was not absolutely excluded.

SIR NEVILE HENDERSON pointed out that under the proposals for the limitation of air armaments Germany stood to gain as much, if not more, than any other country. This was very generally recognised throughout Germany and undoubtedly both the German Authorities and their public opinion were greatly disturbed at the possibility of Germany being subjected to concentrated bombing from the air from all sides. The air raid precautions which were being taken involved the German Government in enormous expense quite apart from the very heavy expenditure necessitated by anti-aircraft measures of a purely military character. These considerations should be borne in mind because it could very well be argued that the abolition of the bombing aeroplane was as important, if not more important, to Germany than the return of her Colonies, and that Germany had even more to gain by such abolition than the other Powers.

THE HOME SECRETARY thought that on the whole Great Britain had more to gain by an international settlement for the abolition of the bombing aeroplane than any other country. If such an agreement could be secured we should regain our insular position and an enormous increase in our own strength. Moreover, we should be able to save gigantic expenditure on air raid precautions and other allied services.

The Committee agreed:

To invite the Secretary of State for Foreign Affairs to arrange for the preparation and circulation to the Committee of a redraft of the Instructions to H.M. Ambassador in Berlin, revised in the light of the discussion at the Meeting. (For copy of revised draft see *Appendix*).

2. *Spain.* With reference to Cabinet 3(38) Conclusion 4, the SECRETARY OF STATE FOR FOREIGN AFFAIRS informed the Committee that he had seen the French and Italian Ambassadors[15] and had told them the intention of H.M. Government to instruct H.M. Ships engaged on the anti-submarine patrol that they were free to attack any submerged submarine found in the area of the Western Mediterranean patrol. He had made it clear to the Ambassadors that the question whether their respective Governments should adopt the same measures would be left to their discretion.

The French Government had decided to take precisely the same action which we had taken and had given instructions to their Naval vessels engaged on the anti-submarine patrol to attack any submerged submarine found by them in their area.

Mr. Eden also reminded the Committee that, when interviewed by the British Senior Naval Officer, the Spanish Commander-in-Chief at Palma had admitted that a Nationalist submarine was operating in the area where the S.S. *Endymion* had been sunk. Subsequently, however, the Naval Commander-in-Chief at Palma had stated that the position in the area in question appeared to be very confused, but that on the latest information available he did not now think that S.S. *Endymion* had been sunk by a Nationalist submarine. It seemed undesirable to continue discussions with the Spanish Naval Authorities at Palma on the subject, and the matter was being urgently pursued with General Franco's Government at Salamanca.

APPENDIX TO No. 488

Draft instructions[16] *to His Majesty's Ambassador in Berlin*

On returning to Berlin Sir Nevile Henderson should see the German Foreign Minister and say that, during his visit to London, he has had discussions with His Majesty's Government on all the issues arising out of the conversations held during Lord Halifax's recent visit to Germany. These issues naturally cover the contributions towards appeasement which as the bases of possible agreement each country might be able to make in Europe and elsewhere.

In order not to create misunderstanding which might give rise to greater difficulties at a later stage, Sir Nevile should remind Herr von Neurath of the observations he made recently as to the importance that would be attached, not only by His Majesty's Government but by other Governments, to German collaboration in appeasement. Mention, but only mention, should be made of Czechoslovakia and Austria as illustrative of the general principle of collaboration.

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[15] See No. 487.

[16] These instructions embody changes in the original draft made in the light of the discussion at the 22nd meeting of the Committee on Foreign Policy.

Sir Nevile should refer to the question of limitation of armaments and say that while His Majesty's Government recognise the difficulty of making progress on this subject if treated as a general question, they have taken note of the German Chancellor's references to bombing, a subject which they agree with him in regarding as of the first importance. Sir Nevile should endeavour to ascertain whether the German Government now find themselves able to suggest specific proposals on this subject; if so, we should be very glad to have some idea of their nature.

As regards the colonial question, Sir Nevile might say that he had found a real disposition to study this question carefully in all its bearings and to make progress if possible. The question, of course, was full of difficulties, as the German Government were well aware, and, as the German Government were also aware, public opinion in this country was still in a very sensitive condition on the subject. In particular, of course, public opinion might be critical of any possible or contemplated change that did not take sufficient account of the difficulty of purporting to treat large numbers of natives as if they were goods or chattels to be bandied about from one owner to another. (Of course, there are other difficulties too, but these could be broached and discussed in due course.) In regard to this particular difficulty, however, Sir Nevile could say that a number of possible solutions had been under close examination by His Majesty's Government. One possible solution might be found in a scheme based upon the idea of a new regime of colonial administration in a given area of Africa, roughly corresponding to the Congo Basin, acceptable and applicable to all the Powers concerned, each of whom would be invited to co-operate in and to participate in the administration on modern lines of their respective territories in accordance with principles to be agreed upon. Some indication of the regime might be given, starting perhaps from the conception of the Berlin Act of 1885. For instance, there would be the question of de-militarization, also perhaps a commission consisting of representatives of all the Powers having territory in the area covered by the new arrangements, as well as stipulations for the welfare and progress of the natives. The Ambassador should endeavour to ascertain in general terms how the German Government were disposed to view this suggestion. He should not at this stage go into specific details concerning transfers of particular territories.

If this suggestion met generally with a favourable reaction on the part of the German Government, fuller instructions to Sir Nevile would be sent subsequently.

The question would then arise as to what would be said at the present stage to the French Government. It is thought that for the present at any rate it might be sufficient if we were to give the assurance that nothing would be contemplated on our part which did not involve a contribution on the part of His Majesty's Government, equivalent to any contribution that might be made by the French Government; and furthermore that His Majesty's Government should repeat to the French Government the assurance jointly agreed upon in December that the question would not be dealt with in any final form except as part of a whole. It is doubtful, however, whether it will prove either easy or possible in practice to confine communications to so narrow a basis either on the part of His Majesty's Government to the French Government or on the part of the German to the Italian Government.

(A communication on these lines would be made by the Foreign Secretary to the French Ambassador in London to coincide with Sir Nevile Henderson's intimation to his French colleague in Berlin. Sir Nevile should endeavour to ensure that, in any communication which the German Government might think fit to make to any other Government, e.g. Italy, they should not say more than that there has been a tentative exploration of certain alternative ways of dealing with the issues raised so that presently specific proposals might be discussed).[17]

[17] These draft instructions were circulated by Sir M. Hankey on Mr. Eden's instructions to members of the Committee on Foreign Policy with a covering note (F.P.(36)47) dated February 4 asking for any suggested amendments. Sir J. Simon replied that 'we ought not to be too tentative and hesitating when Goering and Co. are brazen and outspoken', and that it should be made clear from the start 'that we attach just as much importance to a satisfactory and definite result in this sphere of disarmament, and especially in air limitation, as the Germans attach to the equally difficult subject of colonial adjustment'. Lord Halifax suggested the omission of the passage in paragraph four referring to the 'bandying' of natives. In the Foreign Office Mr. Baxter pointed out that H.M.G. had never replied to earlier proposals by Herr Hitler on May 21, 1935, and March 31, 1936, for the limitation of air bombing. These and other comments were considered in the final version of the instructions: see No. 512 below.

No. 489

Mr. Eden to Sir R. Lindsay (Washington)

No. 98 Telegraphic [*A 2127/64/45*]

Important Very Secret FOREIGN OFFICE, *February 4, 1938, 9.45 p.m.*

Your telegram No. 106.[1]

I assume that last paragraph represents definitely the attitude of the United States Government, and I should be glad if you could confirm this.[2]

I ask because I am not clear as to exact meaning of earlier part of your telegram. You say that President asks His Majesty's Government to 'hold back their horses' and in next sentence you say this refers exclusively to President's plan. But it is not clear to me what we have to hold back in that connexion, unless it were the conversations with Rome and Berlin. But you explicitly state that this is not so.

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[1] No. 485. Mr. Chamberlain considered that this telegram indicated President Roosevelt's willingness for the Anglo-Italian negotiations to begin. However, according to *The Diplomatic Diaries of Oliver Harvey*, *op. cit.*, pp. 83–4, 'A.E. refused to be rushed and has sent a further telegram [i.e. No. 98] to Lindsay asking for a clearer statement of what exactly the President means'.

[2] In his telegram No. 113 of February 6 Sir R. Lindsay replied that the assumption in this paragraph was correct.

I should also be grateful for your own view of reaction of United States public opinion to opening of conversations with Italy now on a basis which included *de jure* recognition of Abyssinia among other items. I presume we can feel confident that explanation now given to President will be used by him and State Department to guide opinion. To what extent do you think that this will serve to obviate ill effect on Anglo-American relations of which President had warned us?[3]

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[3] The first two paragraphs of this telegram were drafted by Sir A. Cadogan; the third was added by Mr. Eden.

No. 490

The Earl of Perth (Rome) to Mr. Eden (Received February 5, 9.38 a.m.)

No. 36 Telegraphic [*R 1054/23/22*]

ROME, *February 4, 1938, 10.40 p.m.*

Geneva telegram No. 2 saving[1] and telegram No. 6 saving.[2]

I notice that Messieurs Chautemps and Delbos in conversation at the Quai D'Orsay on January 26th indicated that questions of garrison of Libya, propaganda and particularly that of Spain should be included as points to be discussed in any Anglo-Italian negotiations. You had the impression that French government might be satisfied on Spanish issue if it could be made clear from the start of conversations that Italy would send no more men to Spain while they were being conducted, and if we could secure the withdrawal of Italian airmen from Majorca that the French would regard this as satisfactory.

I anticipate no difficulty about questions of Libyan garrison and that of propaganda, indeed they are already on proposed agenda but Spain falls in a different category.

I see very grave difficulty in securing consent of Italian government to include Spanish problem in conversations. Italian government hold that the Spanish territorial question, pledges as regards status quo etc. have been completely covered by the Mediterranean declarations of January last year and have repeatedly stated that they adhere firmly to the pledges then given.

Problems arising out of Spanish civil war should, they maintain, be treated by Non-Intervention Committee which is specially constituted for this purpose. Indeed they would be likely to consider a proposal for Anglo-Italian discussion of Spanish question as an attempt to eliminate Germany from the problem and thus to weaken Rome-Berlin axis. Please remember in this connexion Italian attitude about proposed conversations between England, France and Italy about Spain in October (see my telegram No. 601 of last year).[3] They will therefore assuredly resist inclusion of Spain as a substantive point in conversations. It might perhaps be possible however if Spain were not formally included in agenda to secure extra assurances about non sending of troops and even ultimately withdrawal of Italian airmen from Majorca though I am not hopeful about the latter at present stage.

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[1] No. 473.

[2] No. 481.

I do not know whether in fact Italian trooops have since conclusion of non-intervention agreement gone to Spain in any considerable numbers—no confirmation of various allegations in this sense has yet been obtained so far as I am aware. It must no doubt be taken for granted that airmen and other experts and material have gone there but to this Italians will reply that French, Russian and other experts and much material have gone to the government side; Italian press is full of such stories and I know Franco's representative here is supplying information on this point. I fear therefore that if we insist on Spanish question being included we shall reach a deadlock. In my opinion this may well lead to further Italian intervention in Spain and thus produce very result which French government desire to avoid. Further Signor Mussolini cannot but hold that a proposal for introduction of Spanish problem into conversations which is a new item and one which in his view we must realize that he cannot but strongly resist constitutes a further effort on our side to delay opening of conversations and his present deepening suspicion of our policy will be increased.

French Ministry might in such circumstances be justified in their alarm that he may resort to an 'act of folly' but it would be because of his belief we had no desire for a friendly settlement with Italy.

But French government now goes further and insists on the withdrawal of all foreign troops from Spain as a 'sine qua non' for *de jure* recognition.

I have already tried to explain the very serious difficulties which would arise from a mere proposal to include Spanish question in conversations.

If we adopt the views of the French government and inform Italian government that our attitude is that we cannot grant *de jure* recognition until all foreign elements are withdrawn from Spain and that the two questions are *inter alia* dependent on those, difficulties are likely to become definitely insuperable and I fear that in such circumstances we must say a final goodbye to all chances of successful talks and to any prospects of direct Anglo-Italian rapprochement.[4]

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[3] See No. 237, note 1.

[4] In a further telegram, No. 37 of February 4, Lord Perth referred to telegram No. 36 and said: 'I frankly do not understand Monsieur Delbos' attitude about Signor Mussolini and Italy.' This telegram was also filed at W 1636/83/41, and in a minute on that file of February 9 Mr. Howard expressed the opinion that 'the Italians may well be prepared to discuss Spanish affairs with us. The moment has come when they have got to decide whether to plunge further into the adventure or back out—& I rather think that they would like to do the latter if they knew how. Is it not possible that they might agree to withdraw from intervention in Spanish affairs which is admittedly unpopular among the Italian people—as part of a general agreement with the U.K.? It might provide them with the face saver which they require'. In a minute of February 10 Mr. Eden referred to No. 505 below and remarked: '. . . it is clear that Lord Perth is awry & that Italians are prepared to discuss Spain . . . Truly a strange world!'

No. 491

Memorandum[1] *by the Chiefs of Staff Sub-Committee of the C.I.D. on Staff conversations with France and Belgium*

[*C 841/37/18*]

Secret 2, WHITEHALL GARDENS, S.W.1, *February 4, 1938*

In accordance with a request by the Foreign Office, we have had under consideration two letters, dated the 16th December, 1937, and the 1st January, 1938, respectively, from the Foreign Office, in which we are asked for our observations on certain proposals for the resumption of staff conversations with France and Belgium (Annexes I and II).[2]

2. We do not feel it necessary to recapitulate, at any length, all our previous observations and views on this subject, of which the Foreign Office are, doubtless, fully aware. For example, it will be recalled that, in September 1936, when considering staff conversations in connection with the preparations for the proposed Five-Power Conference (Paper No. C.O.S. 511),[3] we reached the following conclusions:

> 'Apart from the practical difficulties, staff conversations would inevitably tend to involve us in military commitments, which would fetter our freedom of action as to the form our intervention might take when the occasion arose.
>
> Our conclusion, therefore, is that no provision should be made for staff conversations with any Power.'

3. Again, when discussing the position of Belgium in the proposed Five-Power Conference (Paper No. C.O.S. 528)[4] we stated:

> 'We would reiterate that nothing should be done, in our opinion, to encourage the idea that there is the possibility of staff conversations between us and either the French or Belgians, or both, for reasons which we have already fully stated in previous reports.'

4. From the foregoing it will be seen that we have consistently regarded staff conversations with misgivings. The very term 'staff conversations' has a sinister purport, and gives an impression to interested countries, outside the conversation circle, of mutually assumed military collaboration by those partaking which must inevitably lead to mutual military commitments.

5. There is another important aspect of this question. Hitherto it has been accepted that in any future European war in which we were ranged on the side of France, one of the first measures to be taken would be the despatch of a Field Force to the Continent. Even under the conditions shown above, when the despatch of this force remained part of our military policy in the event of war, we were opposed to staff conversations with the French. The recent

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[1] Circulated to the Cabinet as C.I.D. 1394B.

[2] Not printed: see No. 396, note 2.

[3] Volume XVII, No. 156.

[4] See *ibid.*, No. 433.

Cabinet decision on the rôle of the British Army,[5] has, however, altered the situation of the army's war commitments, and the despatch of a Field Force to the Continent now takes a relatively low priority. As far as the army is concerned, therefore, we feel that at the present time it would be more appropriate frankly to inform the French of the new situation, rather than to contemplate re-opening staff conversations upon which we, for our part, could only embark empty-handed.

6. On the other hand, as foreshadowed in paragraph 12 of the Foreign Office letter of the 16th December, one result of the recent decision on policy regarding the despatch of the Field Force to the Continent, will be to enhance the importance of effective co-operation with the French in the air in the event of attack by Germany. The Air Staff have been pressed by the French Air Staff, at intervals throughout last year, through the medium of the Air Attaché in Paris, for an exchange of views on the combined action of the French and British air forces, which would go far beyond the scope of any exchange of information within the limits at present authorised. The French have submitted to the Air Ministry a memorandum on the initial employment of the French Air Force in a hypothetical war with Germany; and they have emphasised the importance of co-ordinating the action of the two Air Forces in advance since, if left until war breaks out, it may well be too late.

7. In commenting on the French Memorandum, the Air Staff were non-committal; but, from the purely military point of view, the French attitude is admittedly logical. Moreover, in the event of war against Germany during the next few years, until the re-equipment of our Air Force with longer-range aircraft has been completed, part of our plans would be to despatch a certain portion of our Air Striking Force to operate from French aerodromes. In order effectively to meet this eventuality, collaboration with the French as to aerodrome areas, supplies of fuel, transportation facilities, as well as the allocation of targets, would, from the purely military point of view, be desirable.

8. In spite of the foregoing considerations which, from the purely military point of view, indicate the desirability of close collaboration with the French to meet the contingency of aggression by Germany, we do not advocate that discussions on the air questions referred to in paragraph 7 above, should be authorised. We feel certain that the opportunity of turning such conversations to their own political advantage would be seized upon by the French with avidity. The temptation to arrange a leakage of the information that such collaboration was taking, or had taken place would, in our opinion, prove irresistible to them in order to flaunt an Anglo-French accord in the face of Germany.

9. Apart from the deplorable effect of such a leakage upon our present efforts to reach a *détente* with Germany, it is most important, from the military

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[5] The reference is to the Cabinet meeting of December 22, 1937: see No. 401. The Cabinet had agreed that the primary task of the Army would henceforth be home and imperial defence: the despatch of a Field Force to the Continent, previously one of the basic assumptions underlying Anglo-French strategic cooperation, would be the lowest priority.

standpoint, that at the present time we should not appear to have both feet in the French Camp.

10. We consider, therefore, that the military advantages of closer collaboration with the French regarding concerted measures against Germany, however logical they may appear, would be outweighed by the grave risk of precipitating the very situation which we wish to avoid, namely, the irreconcilable suspicion and hostility of Germany.

11. There are, however, certain contacts with the French which could, we think, be usefully pursued without in any way disturbing our relations with Germany, and which would, at the same time, go some way to satisfy the apprehensions expressed by M. Corbin, referred to in the Foreign Office despatch dated the 17th December, 1937.[6]

12. General Milch and other German Air Staff Officers have recently visited this country and have inspected certain air force stations as well as having informal discussions with officers of the Royal Air Force, and it would be a natural act for us to extend a similar invitation to officers of the French Air Force.

We are, of course, at liberty at any time to exchange any information we may wish through the medium of our Service attachés without giving grounds for complaint, within the limits imposed by the instructions set out in C.I.D. 276th Meeting, Minute 1.[7]

13. With regard to industrial and armament matters, and particularly in respect of aircraft equipment, it is a common practice for members of our firms to visit similar business concerns in Germany and vice versa. It is in fact to some extent by this means that we gain our knowledge of Germany's capacity for aircraft and engine production and can gauge to some extent the future trend of their design.

14. Quite recently the officer responsible for the development of engine design in the Air Ministry visited Germany and obtained information of considerable value regarding their methods. There can surely be no reason, therefore, why officers holding equally responsible positions in France and Belgium should not come to this country for advice and obtain all the information they require without such visits being vested with the political importance of "Staff Conversations."

15. It therefore seems to us that many of the mutual requirements of France, Belgium and Great Britain, as at present stated, could to a great extent be met by the ordinary procedure of an exchange of visits which is open to all countries in time of peace, and we recommend that this method, combined with the normal means of interchange of information provided by the Service Attachés of the Powers concerned should be employed.

16. We now turn to the point referred to in the Foreign Office letter dated the 1st January, 1938, wherein the French Ambassador has suggested that, in view of the tense situation in the Far East, naval staff conversations with the French Government should be embarked upon. We agree that, in the event of our fleet being despatched to the Far East, and with the problem of an

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[6] No. 396.

[7] See Volume XVI, No. 219, note 3.

improved understanding with Germany still unresolved, we should need the co-operation of the French fleet to assist in the protection of sea communications in the Mediterranean, Atlantic and Home areas. We do not, however, consider that immediate Staff Conversations are necessary to secure this co-operation. At the same time it was found during the Italo-Abyssinian crisis that the redistribution of the French Fleet on any considerable scale is a process which takes far longer than it does in the case of our own. If, therefore, the despatch of our own Fleet to the Far East was seriously contemplated, it would be necessary to inform the French of our requirements as regards the co-operation of their Fleet at once.

17. There remains the question of whether we should arrange for joint action with the French in the Mediterranean area; and it will be recalled that this was discussed at the 307th Meeting of the Committee of Imperial Defence (Minute 5).[8] In the event of war against Italy, a French threat to Libya from Tunisia would obviously reduce the scale of Italian attack on Egypt. We should also be seriously handicapped without the use of the French naval docks and repair facilities at Toulon and Bizerta. We do not, however, consider that conversations at the present time with the French on the above points should be entertained. Even without French co-operation and base facilities, we should have no doubt in our own minds as to the final outcome of a unilateral war between the United Kingdom and Italy. It is possible, in our view, that in such a war the French might stand aside, and in that event that Germany also might not become engaged. If, on the other hand, France were in alliance with us against Italy, Germany would be almost certain to come in against us, with the consequent risk of a world conflagration, the outcome of which we should view with much less confidence. We are, therefore, opposed to any approach to the French at the present time regarding the situation in the Mediterranean.

18. We note that the Foreign Office in paragaph 10 of their letter, dated the 16th December, referred to M. Spaak's conversation with the Secretary of State for Foreign Affairs on the 18th November, 1937,[9] and suggest that his offer should not be left without response. But, as pointed out in paragraph 25 of Annex 1 to the above letter, our attachés in Brussels are already being supplied with the fullest information and we are, therefore, not clear that there is anything to be gained by any other method of collaboration with the Belgians.

Furthermore, with reference to paragraph 13 of the Foreign Office letter, we understand that the Supply Board are at present examining a request from the Belgians that we should supply them with large quantities of aircraft and other warlike stores in war. The Air Staff have already considered making use of the opportunity, when the Supply Board have completed their investigations, to proffer advice through the Air Attaché on the subject of the present rather unsatisfactory organisation of the Belgian air force, with a view to persuading them to effect certain changes which would render their air force more independent of immediate assistance from us in war. This, we suggest, is an example of the sort of liaison which can be conducted without recourse to anything in the shape of Staff conversations.

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[8] See N. H. Gibbs, *Grand Strategy*, *op. cit.*, p. 627, for details of this meeting.

[9] See No. 333.

Conclusions

19. We reach the following conclusions with regard to the Foreign Office proposals for Staff conversations with France:

(*a*) We are opposed in principle to the suggestion in paragraph 17 (i) that 'conversations between the British and French General Staffs, military, naval and air, should be permitted on a generous interpretation of the definition given in paragraph III of the Text of Proposals of the 19th March, 1936[10] . . .' for the reasons given in paragraphs 5, 8 and 9 above.

(*b*) We see no objection to the proposal in paragraph 17 (ii) that 'information should continue to be transmitted through the channel of the military, naval and air attachés . . .'

(*c*) If our views expressed in (*a*) above and in the body of this Memorandum are upheld, the question of an announcement to the French Government and to the public referred to in paragraph 17 (iii) and (iv) respectively, would not arise.

(*d*) As regards Belgium, we recommend that no extension of the existing contacts between the two Staffs should be made.

(*e*) As regards joint dispositions to meet the present disturbed situation in the Far East, we do not recommend any immediate approach to the French. If, however, a decision were taken to despatch our own Fleet to the Far East, it would be necessary to inform the French of our requirements as regards the co-operation of their Fleet at once.

(*f*) As regards joint dispositions to meet the Italian threat in the Mediterranean area, we agree that an assurance of French co-operation would be valuable. On the other hand, such co-operation would almost inevitably lead to Germany joining Italy in the struggle. On balance, therefore, we are against any approach to the French at the present time regarding the situation in the Mediterranean.[11]

CHATFIELD
C. L. NEWALL
GORT

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[10] See Volume XVI, No. 144.

[11] In a minute of February 8 Mr. Strang described this memorandum as 'an astounding document'. He complained that the Chiefs of Staff had returned a negative reply to all the Foreign Office points, and that they had based their opposition to the extension of Staff contacts on political, not military, grounds: 'I submit that in presenting a report of this kind the Chiefs of Staff are exceeding their functions.' He noted that 'the Secretary of State is seeing the Prime Minister and Sir T. Inskip about the whole question of Staff conversations this evening' (February 8). In his account of this meeting in *Facing the Dictators*, p. 501, Mr. Eden wrote that he too, felt that the arguments used by the Chiefs of Staff against Staff contacts were 'almost wholly political and I thought erroneous . . . [I] asked that this paper should be withdrawn and that the issue should be considered at the Cabinet'.

In fact the issue was further discussed at a meeting on February 14 attended by Mr. Eden, Mr. Chamberlain, Sir J. Simon, Sir T. Inskip, and the Chiefs of Staff. A brief prepared for Mr. Eden's use on this occasion is filed at C 1169/37/18. Mr. Chamberlain summarized the results of this meeting when the Cabinet considered the C.I.D. memorandum, together with related papers, on February 16. He reported that the meeting had recommended that Mr. Eden be authorized to tell the French Government about the recent Cabinet decision on the role of the Army (see note 5 above), and to say that His Majesty's Government were willing to begin technical conversations between British and French Air Staffs. Immediate naval talks were not felt to be necessary. After considerable discussion the Cabinet agreed to approve these recommendations, but no communication was to be made to the French or Belgian Governments until Mr. Eden had had further consultation with the Prime Minister and Secretary of State for War. There is a full account of all these discussions in *Grand Strategy*, *op. cit.*, pp. 624-36. For further developments see also Series III, Volume I, Nos. 62, 83, 109, and 164.

No. 492

Sir N. Henderson (Berlin) to Mr. Eden (Received February 5, 1.30 p.m.)

No. 20 Telegraphic: by telephone [*C 811/62/18*]

Immediate BERLIN, *February 5, 1938*

Following are my preliminary observations on reconstruction of Cabinet.[1]

It is not now denied in official quarters that further investigation into antecedents of Blomberg's wife show her to be unsuitable and that in consequence his resignation was inevitable. Nevertheless Herr Hitler and General Goering by signing the register are regarded by the public as having given their sanction to the marriage and publication of the facts would have been damaging to their prestige. Hence it was decided to cause Blomberg to disappear under cover of a general reconstruction scheme on time honoured plea of ill-health so often used in pre-war Germany in similar circumstances.

Episode illustrates once more the ability of German Government to conceal facts which are known to the rest of the world and to a proportion of their own people. In the event of a . . .[2] political crisis the official version of the facts would be only one current here and it would be impossible to acquaint the nation with the truth.

The underlying friction between the party on the one hand and the army and moderate elements on the other is factor with which Herr Hitler has had to deal. Blomberg's marriage was only the event which brought matters to a head.

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[1] Sweeping changes in the German hierarchy were announced on February 4. They included the resignation of the War Minister, Field Marshal von Blomberg (precipitated by his marriage), and General von Fritsch, Commander in Chief of the army. Herr Hitler himself took over the War Ministry and the Supreme Command of the Armed Forces, with General Keitel as Head of the Chief Command of the Forces and General von Brauchitsch as Commander in Chief of the army. Herr von Ribbentrop was appointed Foreign Minister in place of Baron von Neurath, who was appointed President of a new secret Cabinet Council to advise Herr Hitler on political questions. The Foreign Minister and the Commanders in Chief of the three services were to be members of this Council. The Ambassadors at Vienna, Rome, and Tokyo were to be recalled, and there was a general purge of the armed forces. General Goering was given the rank of Field Marshal. The Reichstag was summoned for February 20: cf. *The Times*, February 5, 1938, p. 12.

[2] The text was here uncertain.

The question of succession to Blomberg has been solved in a manner which can only be described as a compromise between the claims of rival factions. Since it has been decided that head of combined services shall be a figure-head the assumption of this office by the Chancellor is more acceptable than the nomination of General Goering. The fact that Reichenau despite efforts of certain party circles has not become Commander-in-Chief is probably a source of satisfaction to the army.[3]

On the other hand the army has lost Fritsch though General Beck remains for the moment. Keitel and Brauchitsch are not personally unacceptable (the latter is extremely popular) but are not thought to be outstanding personalities likely to play a leading rôle. Moreover the army has not succeeded in obtaining any public expression of disapproval of Blomberg's wedding for which I am told they pressed in the interests of discipline. Except for reflection that things might have been worse the army have little reason to congratulate themselves on the turn of events.

The appointment of General Goering to be Field Marshal will not be popular in the army or the country. In Germany the rank has a very special significance. It has only been bestowed for very special services in war and there was much criticism when this rule was broken by the award of a bâton to Blomberg.

Enlargement of the Cabinet (all members of new Privy Council will have Cabinet rank) is development of a process which has been going on for some time and which is likely to continue. It was expected that some party notabilities would be promoted on this occasion, but it may well be that this step has been momentarily deferred in deference to army susceptibilities. The appointment of Nazis to Cabinet rank or to vacant Embassies is not unlikely later. I hear that Dr. Frank is in the running for Rome.

The appointment of Herr von Ribbentrop would be [*sic*] probably accelerated by reconstruction. His promotion will not be popular or inspire confidence in any quarters. It is doubtful whether Baron von Neurath in his new position will be able to exercise much influence on foreign affairs and it is to be feared that the foreign policy of this country will take an ideological turn.

Press naturally hails the concentration of power in Herr Hitler's hands as a notable accession of strength but it will require all the skill of ministerial propaganda to make the country share this view.

It is true that Herr Hitler has shown once more that with General Goering behind him he can resist the pretensions of the army or of any one faction. Nevertheless he feels that Blomberg has let him down and the event cannot but have a detrimental effect on his prestige and that of the régime both at home and abroad. With no faction really satisfied the friction is likely to increase rather than diminish. Much will depend on the attitude of the army and in particular of the new chiefs.[4]

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[3] A marginal note by Sir O. Sargent here read: 'and to us.'

[4] Mr. Strang minuted on February 7: 'This appreciation is very similar to that which we had arrived at ourselves.' Sir O. Sargent wrote on February 8: 'I am afraid it is becoming increasingly clear that the Army has been both humiliated and weakened, and that this may very well have the effect of preventing it—short of a *coup d'état*—from exercising any further effective influence on foreign affairs. Indeed we may have to look to Hitler personally for any moderating influence.' Sir A. Cadogan noted (February 9): 'It will be some time before we can arrive at an appreciation of the effect of the crisis.' Mr. Eden agreed (February 9): 'Yes: we must wait & watch.' See also No. 496 below.

No. 493

Mr. Eden to the Earl of Perth (Rome)

No. 22 Telegraphic [*R 1058/23/22*]

FOREIGN OFFICE, *February 5, 1938, 9.30 p.m.*

In a conversation which I had with the Italian Ambassador last night,[1] we discussed the Spanish situation in general. When I reverted to His Excellency's previous description of the Spanish question as being the shadow which overlay Anglo-Italian relations Count Grandi observed that we should not be fatalistic about this shadow or allow it to deepen until it let [*sic*] to catastrophe or perhaps war. I at once replied that such an outcome was the last thing we wished to contemplate: in fact we scarcely did contemplate it. Nor did we desire that the shadow should be allowed to deepen. On the contrary we should be very ready to cooperate in trying to dispel it. The Ambassador professed to be greatly cheered by this and asked why, if that was really our position, we did not say so? Italy could hardly put Spain on the agenda of Anglo-Italian conversations in view of her special relations with General Franco. But why did not we put it there? His Excellency felt that we were in some danger of getting into an unnecessary difficulty in connexion with the initiation of conversations. He thought it was hardly necessary that the Spanish question should become something of a focal point. I replied that we should be only too ready to discuss this question with the Italian Government; indeed, if only we could reach some conclusion on this subject we should have removed the real problem of Anglo-Italian relations and all other difficulties would, I felt confident, rapidly disappear. When I told His Excellency that I had been rather apprehensive lest, if I asked him to discuss Spain with me, I should be referred once again to the Non-Intervention Committee, Count Grandi smilingly shook his head and made it quite clear that in his view there was no reason why we should not discuss Spain alongside the work of the Non-Intervention Committee, and even in connexion with it.

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[1] i.e. February 4. According to the account of this conversation given in despatch No. 142 to Rome of February 5, the purpose of Count Grandi's visit was to hand Mr. Eden a note from the Italian Government regarding the reconstitution of the Nyon naval patrols after the sinking of the British ship *Endymion*: see No. 487. The note stated that the Italian Government would 'raise no difficulties' to the measures adopted by the British Government and would adopt similar measures in respect of the zone allocated to them.

When I saw Count Grandi again today, His Excellency emphasized that the language used by him yesterday (see preceding paragraph) was entirely his own and not the result of any sort of guidance from his Government, since he did not know how their minds were working in relation to the Spanish problem at the present moment. His Excellency and I continued nevertheless to discuss various aspects of Anglo-Italian relations and I indicated that among the difficulties persisting between us was that of propaganda, and the fact that I had told the House of Commons that we would not open conversations until the position in respect of propaganda was improved.[2] Count Grandi replied that he had communicated to us a short time ago certain complaints that his Government had against us on the score of propaganda, and he suggested that I should give him a similar dossier of our complaints. We could then discuss them. I replied that I was very ready to do this: we would neither of us regard such an exchange of view as an opening of the conversations, but rather as a means of paving the way for them. If an improvement in the atmosphere resulted such as would enable us to tell the House of Commons that Italian propaganda against us had moderated, enormous benefit would accrue to the progressive improvement of relations between our two countries.

The Ambassador confessed that he would have preferred that the conversations themselves should take place in Rome, where Count Ciano could speak with full authority; on the other hand all four of us were concerned with Anglo-Italian relations, he and I in London and Count Ciano and you in Rome. While admitting as much, I replied that he and I at any rate could make some preliminary progress in the really difficult subjects, which were Spain and propaganda. Then other matters, e.g. the Red Sea and even Libya, would be easier of solution and the questions on which Italy required satisfaction would appear less formidable. Count Grandi assented, and agreed that the main difficulty for his Government, as he saw it, was to reconcile our desiderata regarding Spain with Italian obligations towards General Franco.

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[2] Mr. Eden made this statement on December 20, 1937: see 330 *H.C. Deb. 5 s.*, col. 1586.

No. 494

Mr. Eden to Sir E. Phipps (Paris)

No. 231 [*W 1659/83/41*]*

FOREIGN OFFICE, *February 5, 1938*

Sir,

The French Ambassador came to see me this afternoon, when we spoke of the Italian position, which I said I found difficult to understand.[1] I had not anticipated that the Italian Government would concur in the measures we were proposing to take in the Mediterranean. M. Corbin was doubtful whether this Italian attitude indicated any change of front, for the Italian Government had had to accept Nyon in the end, and they probably thought it better to accept what we proposed in this instance, since they knew we meant to go ahead anyway.

2. I then gave his Excellency some account of my conversation with Count Grandi yesterday. M. Corbin was inclined to be encouraged by Count Grandi's proposal in relation to the problem of the withdrawal of volunteers.[2] He emphasised that this was exactly what he and I had pressed for at the outset. The Italian Government then resisted. He feared we might have some difficulties with the Russians, but, from the French point of view, Count Grandi's proposal was a considerable step forward.

3. M. Corbin admitted that Signor Mussolini had a very difficult decision to take in respect of Spain, and he, too, thought it possible that the advent of a Government in Germany which might pursue a more forward policy towards Austria could reasonably be expected to cause apprehension in Rome.[3] We both agreed that Signor Mussolini's position at the moment must be a very anxious one since, if a threat to Austria were to develop, he would be almost friendless if he sought to resist it. Even the relations between Italy and Japan had recently deteriorated.

I am, &c.,
ANTHONY EDEN

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[1] Mr. Eden was referring to the Italian note regarding British measures to tighten up naval patrols in the Mediterranean: see No. 493, note 1. The French Government had also responded to British action: a *communiqué* issued on February 3 stated that French warships would receive orders to attack any submerged submarines found outside Spanish territorial waters in the French patrol zone.

[2] In despatch No. 142 to Rome (see No. 493, note 1) Count Grandi was reported as referring to recent discussions in the N.I. Committee regarding the percentage which would be held to constitute a 'substantial withdrawal' of volunteers from Spain. The Chairman's Sub-Committee had so far met six times in 1938. They had been mainly occupied with the consideration of a draft resolution submitted by Mr. Hemming on January 11, confirming and extending the original N.I. agreement and covering all aspects of non-intervention including the withdrawal of volunteers, belligerent rights, and the Spanish control scheme. Agreement had still to be reached on a number of points. Count Grandi's 'proposal' referred to here was that the number of volunteers to be withdrawn should be settled by the Commissions in Spain with the two Spanish parties.

[3] Cf. No. 496 below.

No. 495

The Earl of Perth (Rome) to Mr. Eden (Received February 6, 7.30 p.m.)

No. 47 Telegraphic [*R 1069/23/22*]

ROME, *February 6, 1938, 2.20 p.m.*

Following for Sir A. Cadogan from The Earl of Perth.[1]

Lady Chamberlain told me last night that on February 4 or February 5 she had been informed that Signor Mussolini would much like to see her and if she agreed Count Ciano would take her to Palazzo Venezia.

She of course went and after some preliminary conversation Signor Mussolini asked her whether she had recently had a letter from the Prime Minister and if so did she feel able to tell him the contents.

Lady Chamberlain had received such a letter dated January 18 and she had told many of her friends and myself that the Prime Minister had stated in it that he expected to have Anglo-Italian conversations well started before the end of February.

Furthermore the letter came by post and would assuredly be opened by Italian authorities and its contents noted.

Lady Chamberlain replied to Signor Mussolini that she had received a letter and saw no objection to giving him substance of its contents which she proceeded to do.

Signor Mussolini then said he was anxious to come to a complete Anglo-Italian agreement as a tribute to memory of Sir Austen Chamberlain and then gave Lady Chamberlain five points bearing on the agreement. He asked that I should be informed of them and Lady Chamberlain promised I should. Later Lady Chamberlain and Count Ciano put these five points into writing. I am to receive them this afternoon. I enquired of Lady Chamberlain whether the question of Spain had cropped up during the conversation. She said that it had not been mentioned. As soon as her talks with Signor Mussolini and the Minister for Foreign Affairs were finished she sent off an express letter to the Prime Minister recording them.[2]

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[1] In his immediately following telegram No. 48 of February 6 Lord Perth stated that he had addressed telegram No. 47 to Sir A. Cadogan 'because of possible delicacy of the situation. If you feel that telegram should be made official I have of course no objection but I leave matter to your discretion'. See also No. 497 below.

[2] A note on the file by Mr. Hoyer Millar read: 'Copy sent to P.M. on S. of S's inst[ructio]ns.'

No. 496

Sir N. Henderson (Berlin) to Mr. Eden (Received February 6, 4.15 p.m.)

No. 22 Telegraphic [*C 813/62/18*]

BERLIN, *February 6, 1938, 3.37 p.m.*

My telegram No. 20.[1]

1. It is remarkable and pathetic to note immense importance attached here to foreign press opinion in regard to the latest developments in Germany.

2. In my opinion recent changes constitute definite concentration of powers here which will probably tend to greater unity of direction of politics, militarily and economically. I would not regard them as decisive victory of Nazi party over state officialdom but rather as compromise in which party has had somewhat the best of it particularly in the negative sense that army has not as some anticipated won the day. But it is only the first trick and it remains to be seen how new arrangement will work in practice with Herr Hitler himself and General Goering occupying the middle role. In this respect it is noteworthy that Herr Hitler has been obliged to some extent to come off his pedestal and his responsibility will in future be more directly engaged particularly vis-à-vis the army.

3. New privy council to advise on foreign affairs constitutes the best outlet for this compromise with Baron von Neurath as its president and forces of party and officialdom (including the three purely military members with Cabinet rank) more or less equally divided therein. In view of army's dislike of anti-Comintern ideology this may be transitory.

4. It would therefore be helpful if leading British newspapers could be advised to treat recent developments as sympathetically as possible from the standpoint of unity of direction and to avoid public reference as much as can be to conflict between party and state. It would in particular be useful for press to stress role which Herr von Ribbentrop now at headquarters with his great influence can play, to a far greater extent than merely as ambassador in London, in promoting cause of Anglo-German understanding.[2]

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[1] No. 492.

[2] A minute of February 7 by Mr. Strang stated that Mr. Eden had 'already given directives to the News Dept. as to the line to take with the Press. The line suggested by Sir N. Henderson will hardly do'.

No. 497

The Earl of Perth (Rome) to Mr. Eden (Received February 6, 9.35 p.m.)

No. 50 Telegraphic [*R 1071/23/22*]

ROME, *February 6, 1938, 9 p.m.*

Following for Sir A. Cadogan:

My telegram No. 47.[1]

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[1] No. 495.

Signor Mussolini's five points are as follows:

1. I have listened with greatest interest to letter and I feel that it is very important.

2. I entirely agree with the Prime Minister's point of view and beg him to remember that I am working in a very realistic spirit and when conversations start I aim at reaching a full and complete agreement.

3. Such an agreement will cover all points including propaganda, Mediterranean, colonies and economics and it will be the basis of future co-operation between the two countries.

4. I feel it would be useful for the Conservative party to make such an agreement as I think Labour party if they win next elections will make an agreement as Mr. Ramsay MacDonald did in 1924.[2]

5. I will be very glad to reach an agreement with the Government of Neville Chamberlain because I would like to pay a tribute in memory of Sir Austen Chamberlain. As for beginning of negotiations I leave the date to Mr. Chamberlain.[3]

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[2] Sir O. Sargent thought that this reference could only mean 'that just as the Labour Government of 1924 made an agreement with the Soviet Government, so a future Labour Government will make a still closer agreement with Russia, which would be very unpalatable to the Conservative Party and which might be prevented if in the meantime an entente had been established between Great Britain and Italy . . . February 7th 1938.' Sir A. Cadogan thought the reference might be to the cession of Jubaland in 1924. Mr. Eden wrote on February 7: 'I don't know what he means, but Mussolini would do well to keep his advice to external affairs. It is none too good there.'

[3] According to *Facing the Dictators*, p. 573, Mr. Eden was 'much annoyed' by Rome telegrams Nos. 47 and 48. Mr. Harvey's account (*Diplomatic Diaries*, *op. cit.*, p. 86) confirms this impression. See also Appendix II to this Volume.

No. 498

The Earl of Perth (Rome) to Mr. Eden (Received February 6, 10.30 p.m.)

No. 51 Telegraphic [*R 1072/23/22*]

ROME, *February 6, 1938, 9 p.m.*

Your telegram No. 22.[1]

In spite of Signor Grandi's personal opinion I still hold the view that to ask for Spanish question to be placed on the agenda of Anglo-Italian conversations would raise difficulties which I set forth in my telegram No. 36.[2] On the other hand if normal diplomatic discussions between you and Signor Grandi could clear up to some extent both Spanish and propaganda questions as a prelude to what may be termed Anglo-Italian conversations proper, nothing could be happier or form a better prelude to success of discussions on other problems. Time factor is of course important as I consider most desirable if possible that conversations proper should, having in mind Herr Hitler's visit to Rome in May, begin not later than the middle of next month and preferabl[y] at the beginning of it.[3]

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[1] No. 493.

[2] No. 490.

[3] See No. 482, note 2. It was noted in the Foreign Office that in this telegram No. 51 Lord Perth had considerably modified the views expressed in his telegram No. 36 (No. 490). Mr. Nichols thought that all the recent evidence 'is to the effect that [Signor Mussolini] is extremely anxious to conclude an agreement with us'. Mr. Ingram wrote: 'I think the moral is that we should try to pin down Grandi over the Spanish issue . . . I am afraid Count Grandi may have gone further in his conversations on Friday & Saturday (Feb. 4th & 5th) than Ciano or the Duce would like. It is therefore all the more important to find out exactly how far his govt. back him up. E. M. B. Ingram. 7.2.38.' Mr. Eden wrote: 'I will do my best tomorrow. It is going to be a difficult conversation. A.E. Feb. 9.' See No. 505 below.

No. 499

Mr. Palairet (Vienna) to Mr. Eden (Received February 7, 9 p.m.)

No. 11 Telegraphic [*R 1133/137/3*]

VIENNA, *February 7, 1938, 8 p.m.*

My telegram No. 10[1] and your telegram No. 3.[2]

Austrian Government are much more perturbed by appointment of Herr von Ribbentrop and removal of Herr von Papen than by changes in German Army which they do not consider have modified situation essentially, as they do not think the Army, even before the changes, would have resisted Chancellor however distasteful his orders might have been. They are not alarmed but they are disquieted as they feel that Herr von Ribbentrop may wish to begin his career in Berlin by some dramatic coup. They also foresee that the replacement of Herr von Papen by a party man will lead to greatly increased activity of extreme Nazis here who were discouraged by Herr von Papen. Signs of this have already appeared in the increased anxiety in Jewish circles. (Herr von Papen has returned but has not yet asked for *agrément* of a successor). Austrian Government had heard that von Stohrer[3] was to be appointed to London.

Austria's estimate of situation seems to me to be reasonable. My French colleague says that Austrian Government expected a much more Nazi re-organisation of German Army and are exceedingly relieved by choice of its new leaders. Army circles here are greatly relieved by retention of General

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[1] In this telegram of February 5 Mr. Palairet reported a conversation with Herr von Papen regarding the recent events in Germany: see No. 492, note 1. Herr von Papen told Mr. Palairet that his position as special ambassador at Vienna with direct access to Herr Hitler had become impossible 'now that foreign affairs were in the hands of Herr von Ribbentrop with whose foreign policy he did not agree'. Cf. Herr von Papen's telegram to Herr Hitler of February 4, *D.G.F.P.*, Series D, vol. i, No. 284.

[2] This telegram of February 5, also sent to Rome, Warsaw, Prague, Budapest and Belgrade, asked for the views of H.M. representatives 'on the German crisis from the angle of your post'.

[3] German Ambassador in Spain since September 19, 1937.

Beck as Chief of Staff as they have received assurances from him that he will oppose any military adventure in Austria.

Some people here think that Czechoslovakia is more threatened than Austria by recent events in Germany and that General Reichenau's appointment to Leipzig[4] is symptomatic.

Repeated to Berlin No. 3, Prague No. 2.

[4] General von Reichenau had been moved from Munich to the command of the IV Army Area at Leipzig, facing the north-west frontier of Czechoslovakia.

No. 500

Sir N. Henderson (Berlin) to Mr. Eden (Received February 8, 9.30 a.m.)

No. 23 Telegraphic [*C 856/42/18*]

Immediate BERLIN, *February 7, 1938, 9.45 p.m.*

I am reluctantly quite definitely of the opinion that it will be a mistake to make any approach to the German Government on lines discussed last week in London[1] until a certain time has elapsed in order to allow things in Germany to settle down after recent convulsions.[2] I was confirmed in this opinion by brief conversation which I had with Baron von Neurath this morning at the Ministry of Foreign Affairs where as he said he was now merely an interloper.

2. I told His Excellency that I had returned to Berlin earlier than intended owing to the internal situation and that I was consequently without the final instructions which I contemplated that I would receive some time in the course of this week. I had however found His Majesty's Government no less determined not to allow Lord Halifax's visit to remain without a sequel than impressed by the complexity of the difficulties with which they were faced and which I felt sure he would appreciate. Nevertheless I was awaiting immediate instructions to make a forward step of some kind though I warned His Excellency that it would be more on the lines of whether the German Government would be prepared to face our task than anything else. But I added that there was no question of bargaining on our side: His Majesty's Government desired the big thing namely a basis for permanent good relations with Germany. They would treat it from any other standpoint and I hoped that on their side the German Government would not regard the matter as a bargain as I feared that in those circumstances His Majesty's Government would cease to consider Colonial question as one of practical politics at all. Having said this I added I had really come to him for guidance. In London the idea had been that as soon as I did receive instructions I should come to him first and explain matters and then possibly ask for an interview with the Chancellor. He had however ceased to be the emissary and my

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[1] Cf. No. 488.

[2] See No. 492, note 1.

instructions would be eventually to ask through Herr von Ribbentrop for an interview direct with Herr Hitler.

Baron von Neurath replied that he fully appreciated the position and the difficulties of His Majesty's Government and that his earnest advice would be to postpone making any communication until after the Reichstag meeting on February 20th. Herr Hitler who had not slept for days had gone away to the country completely exhausted and everything at the moment was in confusion. He begged me however to assure you in any case that there would be no change whatever in Germany's foreign policy and that so long as he remained President of the Privy Council he would guarantee that. He himself had no doubt that Herr Hitler would give that assurance in his speech on February 20th. In the meantime things had to settle down and somehow to be arranged including the functioning of the new Council. Everything had been decided in the greatest hurry and he did not even know where his own office would be. In these circumstances he thought it would be inadvisable to approach the Chancellor before the end of February and he agreed that the best course would be to speak direct to Herr Hitler himself.

This is entirely my own view and I trust that you will share it. Baron von Neurath was I think quite genuine and his attitude was generally appreciative. I must add that I felt I had to take this early opportunity of seeing him before he is finally ousted from the Ministry of Foreign Affairs and my communications have to be made to Herr von Ribbentrop. I also felt whereas the present moment seemed to me inopportune for any serious discussion it was essential to let Baron von Neurath know at once that a step forward was on the stocks so as to get him to grasp delay which is now of German making not ours.[3]

[3] Mr. Eden annotated this telegram: 'I think that Sir N. Henderson spoke well. A.E.' Sir O. Sargent was, however, 'doubtful whether we should be guided entirely by Herr von Neurath when he urges silence until Herr Hitler's speech . . . surely it would be desirable that during the period in which he is preparing his speech [Herr Hitler] should know what H.M. Government are prepared to offer'. This would prevent him from arguing, as otherwise he well might do, that he had been waiting patiently for an offer since the Halifax meeting and had received none. 'I would be inclined therefore to suggest that Sir N. Henderson should ask for an interview with Hitler himself as soon as he receives his instructions—even at the risk of its being refused. O. G. Sargent. February 8th, 1938.' Sir A. Cadogan agreed, also on February 8.

No. 501

Mr. Troutbeck[1] *(Prague) to Mr. Eden (Received February 8, 2.30 p.m.)*

No. 4 Telegraphic [*R 1175/162/12*]

PRAGUE, *February 8, 1938, 12 a.m.*

Your telegram No. 3.[2]

Czechoslovak relations with Germany have been marked for the past two months by a relaxation of tension thus tending to bear out Dr. Beneš'

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[1] First Secretary in H.M. Legation at Prague.

[2] See No. 499, note 2.

Christmas prophecy that 1938 would be a year of negotiation. It is outside my province to gauge orders for this restraint on German side but in so far as it was due to moderating influences which have now suffered a defeat it is clear that we must be prepared for a change of policy. Fear of this possibility is not concealed in Czechoslovak Government circles though danger to Austria is thought more imminent. Meanwhile the press has received a warning to make no comments likely to offend German susceptibilities.

Whatever the ultimate intentions of Germany towards this country may be it may be anticipated that if German Government now decide upon a more dynamic policy towards her they will concentrate chiefly upon minority question and use *Sudetendeutsch* party for their purpose. Leaving aside such possibilities as the engineering of disturbances designed to give a pretext for intervention of which we heard so much last autumn it may be said that there is ample scope for agitation if agitation is desired. For example despite relaxations foreshadowed last December the National Defence Act still presses heavily upon minority populations; unemployment has reached half million figure; the Government are proposing to reintroduce with minor modifications dissolution of political parties bill which caused such offence in Henlein party and in Germany itself last December; above all Czechoslovakian Government and *Sudetendeutsch* party have totally different ideas as to what constitutes 'legitimate satisfaction' (your telegram No. 43[3] of last year); there is no reason to suppose that any of conciliatory measures which the Government now have in mind will make any impression upon *Sudetendeutsch* party who have continued to insist that their six bills constitute the minimum with which they will be satisfied. While this attitude may possibly be susceptible of some modification if the German Government continue their policy of restraint it is likely to become still more intransigeant should that restraint cease even if conciliatory measures ever do get beyond paper.

Neither internally nor apart from *détente* with Germany externally have things gone well with Czechoslovakia since the New Year. The Right and Left wings of the coalition have been bickering with more than ordinary intensity and confidence has for different reasons been shaken in all this country's allies. She is not therefore in a very strong position to resist German pressure should it be applied. Internally the Czechs would no doubt close their ranks if danger threatened but externally this country's position must inevitably depend on factors beyond her control.

Repeated to Berlin by confidential bag.

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[3] No. 379.

No. 502

Mr. Troutbeck (Prague) to Mr. Eden (Received February 9, 12.30 p.m.)

No. 6 Telegraphic [*R 1187/162/12*]

PRAGUE, *February 9, 1938, 12.20 p.m.*

My telegram No. 4.[1]

As to feelings of Czechoslovak Government regarding recent events in Germany I cannot say more than that they are watching developments with anxious attention. The Minister for Foreign Affairs who was shortly to have given a general review of foreign situation before Foreign Affairs Committee of the Chamber has decided to postpone it until the situation clarifies.

In conversation with Air Attaché Minister of Defence expressed view that nothing dramatic need be anticipated for the next six months and that in the meantime Czechoslovakia must still further accelerate her defence programme.

Prague bourse showed considerable strength on February 7th thus indicating that business circles were not perturbed.[2]

Repeated to Berlin by confidential bag.

[1] No. 501.

[2] Mr. Nichols minuted on February 11: 'Mr. Troutbeck's object in sending the first of these telegrams [No. 501] was no doubt to warn us of the possible effects on Czechoslovakia of the recent changes in Germany. The second telegram shows that the Czech Government are waiting for a further clarification of the situation but that they do not seem unduly disturbed. There are only two direct methods open to us of attempting to influence developments in the Sudeten problem: they are by advice given or inspired either in Berlin or in Prague. As regards Berlin, we have hitherto held our hands (and this has been in accordance with the views of our Embassy itself in Berlin [see No. 198]), but in the instructions to Sir Nevile Henderson which are about to be despatched [cf. No. 488] he is to remind the German Government of the importance that would be attached, not only by His Majesty's Government but by other Governments, to German collaboration in appeasement; and mention is to be made of Czechoslovakia and Austria as illustrative of the general principle of collaboration. As regards Prague, His Majesty's Government have offered advice through M. Delbos. The question whether the time has now come to consider whether we can expand or modify our advice in any way is about to be examined on other papers. In general perhaps, and subject to the views of the Central Department, we are inclined to believe that if there is any danger of a German move in the early future, Austria rather than Czechoslovakia is likely to be the objective.'

No. 503

Extract from Cabinet Conclusions No. 4(38) of February 9, 1938

[*C 1068/42/18*]

2. The Secretary of State for Foreign Affairs recalled that the appreciation of His Majesty's Ambassador in Berlin on recent events in Germany was very similar to that of the Foreign Office. Both documents had been circulated.[1]

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[1] See No. 496: the other document referred to was a Foreign Office memorandum of February 5 on recent events in Germany, prepared before Sir N. Henderson's views had been

An encouraging point was that General Beck, a moderate and an opponent of the Nazi Party, was still Chief of Staff. He had not yet been approached as to who would be the next German Ambassador. He called attention to a declaration made by the German Ambassador in Paris that there would be no change in Germany's foreign policy,[2] and a similar declaration made to our Ambassador in Berlin by Baron von Neurath.[3] He thought it would be rash, however, to assume that this would be the case. The question arose as to the effect of these changes on our conversations with Germany. Baron von Neurath had suggested that there should be a postponement of the conversations until after Herr Hitler's speech on February 20th, and Sir Nevile Henderson agreed. His own first reaction, however, was that it would be inadvisable to wait, as, if no further approach were made, Herr Hitler might express disappointment that nothing had been done to follow up the Lord President's visit. He had, however, not had time to consult his advisers.

The Prime Minister pointed out that the Ambassador's present idea was to approach Herr Hitler direct. He asked if that would not offend the new Foreign Minister? The point seemed to require further consideration.

The Secretary of State for War said that the General Staff had drawn his attention to the similarity between the course adopted by Herr Hitler and M. Stalin respectively in sweeping away the Higher Command. Field-Marshal Goering was unpopular in the Army, but General von Brauschitsch, the new Commander-in-Chief, was rather a ruthless man who technically was likely to favour increased mechanisation of the Army. The General Staff thought that the *moral* of the Army would be somewhat shaken, and that it was probable that there would be a quiet period for a few months, after which no-one could foresee what would happen.

The Secretary of State for Dominion Affairs said that he had seen the South African Minister in Berlin, who had expressed the hope that before Herr Hitler made his speech on February 20th we should let the German Government know that we were prepared to make some suggestions to follow up the Lord President's visit.

The Lord President suggested that His Majesty's Ambassador in Berlin should be asked to consult Herr Ribbentrop, the new Foreign Minister, as to whether it would be advisable for him to ask for an interview with Herr Hitler before February 20th, in order to inform him of our proposals to follow up his (the Lord President's) own visit. If Herr Ribbentrop replied in the negative, then the Ambassador might ask him to tell Herr Hitler that His Majesty's Government were ready to take the next step as soon as the Chancellor was ready to receive him.

This proposal met with considerable support.

The Secretary of State for Foreign Affairs said that the Lord President's proposal made an appeal to him at first sight, but he would like to consider it

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received. A copy of this memorandum was enclosed in despatch No. 229 to Paris of February 5, recording a conversation between Mr. Eden and M. Corbin (C 823/62/18).

[2] Reported in Paris telegram No. 42 of February 7 (C 828/62/18).

[3] See No. 500.

further. He thought the minimum that the Ambassador ought to say was that he was available for a further conversation.

It was suggested that the Ambassador should also inform Baron von Neurath, who, it was stated, had lately been rendering personal assistance to Herr Hitler in the preparation of his speeches.

The Prime Minister asked the Secretary of State for Foreign Affairs to consider the instructions to His Majesty's Ambassador in Berlin in the light of the discussion summarised above.

No. 504

Memorandum[1] *by Mr. Eden on German contribution to general appeasement*

[*C 1057/42/18*]

Secret FOREIGN OFFICE, *February 10, 1938*

In the memorandum which I circulated to my colleagues on the 25th January (F.P.(36)43),[2] the various contributions which Germany might make towards general appeasement were described and examined. In the present memorandum I indicate the lines upon which an approach to Germany might be made with the object of opening a discussion upon the nature and extent of the German contribution.[3]

2. The character of the German contribution will naturally be governed by the conceptions of foreign policy to which Germany has shown herself to be attached; but it will also be dependent upon the extent of our own contribution and upon its value in German eyes. Whatever our own contribution may be (and I do not prejudge it here), I take it as a fundamental assumption that we should expect the result of the two contributions, taken together, to be—in the phrase which I used to the German Ambassador on the 1st December—'an increased sense of international security and enhanced prospects of the preservation of peace.'[4] More precisely, the result which we should hope to attain would be

(*a*) an improvement in Anglo-German relations;
(*b*) a substantial step towards appeasement in Europe; and

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[1] Circulated to the Cabinet as F.P.(36)51.

[2] No. 469.

[3] The memorandum was drafted by Sir O. Sargent and Mr. Strang following instructions given to them by Mr. Eden on February 3. Mr. Eden on February 6 thought the draft 'excellent'; his only doubt concerned the 'proposed exchange of declarations. Would it not be taken to indicate that we disinterested ourselves in Eastern Europe if Germany did the same in Mediterranean, & would not its effect finally slay whatever was left of the League conception? . . . In all other respects the memorandum is impeccable.' Sir O. Sargent on February 8 argued that His Majesty's Government's League obligations were definitely safeguarded by the wording of paragraph 3. To avoid 'the impression of disinteresting ourselves in Eastern and Central Europe' he suggested the inclusion of a passage which appears as the second sentence of paragraph 17. Some further amendments were made to meet points raised by Sir R. Vansittart.

[4] See No. 360.

(*c*) at least the expectation that Germany would refrain from intervention against us should we be attacked in the Mediterranean or in the Far East.

3. The course which I would suggest, therefore, is as follows:
When the time comes for us to broach the question of Germany's contribution, we should intimate that we should expect the German Government, on their side, to be willing to discuss with us the following four questions:

(*a*) Arrangements in regard to armaments;
(*b*) Germany's attitude to the League of Nations;
(*c*) Arrangements for Central and Eastern Europe;
(*d*) Arrangements for Western Europe.

As will be shown in the ensuing paragraphs, of these four desiderata only (*c*) really constitutes a concrete contribution by Germany which can be balanced against a purely British contribution such as the cession of colonies. (*b*) would no doubt represent a contribution by Germany if Germany would return to the League as it stands to-day; but in practice it is obvious that she would require a drastic weakening of the Covenant before she would return, and this would represent the price which we and other members would have to pay. As for the other two desiderata (*a*) and (*d*), they are definitely self-balancing, inasmuch as both parties would have to make contributions in order to bring them about.

4. If the German Government express their readiness to discuss these four questions, the following would be the line to be adopted by us in regard to each of them:

(a) *Armaments*

5. *Under this head we might propose that as a first step international arrangements should be made for the restriction of bombardment from the air, to be followed by international arrangements for the limitation, on a qualitative basis, of land and air armaments, but more especially of the latter.*

6. The proceedings of the Disarmament Conference have shown the extreme difficulty of making progress in these matters on a broad international basis. As, however, memoranda are, I understand, being prepared by the Service Departments on the questions both of the restriction of air warfare and of qualitative limitation, I reserve further comment until they have been circulated.

7. I would, however, make one observation. It is not clear to me that even if an agreement restricting aerial warfare were to be concluded, it would represent any greater contribution from Germany than from France or the United Kingdom. Indeed, it may well be found on examination that from a purely military point of view such an agreement would be more to the advantage of Germany than to that of France or the United Kingdom. (Sir N. Henderson told us when he was here that General Göring had more than once

said to him that in view of Germany's vulnerable position in the centre of Europe, an agreement for the restriction of aerial warfare would be more to Germany's advantage than to ours.) Such an agreement would, from a wider point of view, be a clear step towards international appeasement, and for that reason I believe that we should make every effort to achieve it; but it ought not to be counted as a contribution from Germany in particular rather than from any other Power.

(b) *Germany's attitude to the League of Nations*

8. *I would propose that we should maintain our request for Germany's return to the League of Nations, notwithstanding the recent official German announcement that 'a return of Germany to the League will no longer come into consideration.'*[5]

9. Opportunity might be taken in the first instance to discuss with the German Government their objections to the League. If, and only if, these objections should prove to be insuperable would there be any necessity to consider alternative machinery by which, without prejudice to the League, collaboration with Germany in international affairs might be facilitated.

(c) *Central and Eastern Europe*

10. Under this head I do not think we could do better than be guided by the terms of the draft put forward in 1937 (see paragraph 4(*b*) of the memorandum in Annex II of F.P.(36)43),[6] in which we proposed that there should be 'measures by Germany, in Treaty form or otherwise, which will satisfy the Governments of Central and Eastern Europe with regard to Germany's intention to respect the territorial integrity and sovereign independence of all Central and Eastern European States.'

11. Germany already has Treaties with Poland and Austria which to some extent, in form at any rate, satisfy this condition.

12. I would accordingly propose that

(i) *Germany should be asked, as part of the proposed general settlement, to renew, in some appropriate form, to Great Britain and France the undertakings she gave as regards Austria in the German-Austrian Agreement of the 11th July, 1936.*[7] (By that agreement Germany recognised the full sovereignty of the Federal State of Austria and declared that she regarded the inner political order obtaining in Austria as an internal affair of Austria, upon which Germany would exercise neither direct nor indirect influence.)

(ii) *Germany should be asked to conclude with Czechoslovakia an arrangement analogous to the German-Austrian Agreement of July 1936 or the German declaration to Belgium of October 1937.*[8] (The German Government might, at some appropriate moment, be reminded of the indication given by Dr. Schacht in 1936 and 1937 of Germany's readiness to negotiate a non-aggression and non-interference Treaty with Czechoslovakia.)

13. It would not be our intention, in discussing this question with Germany,

[5] See No. 393, note 2.

[6] See Annex to No. 469.

[7] See Volume XVI, No. 436, note 4.

[8] See Nos. 239 and 241.

to imply that we regard the present territorial dispositions in Central and Eastern Europe as rigid and unchangeable for all time. But we should make it clear that we could not condone any change in the international status of a country achieved by force against the will of its inhabitants, or any forcible interference in its internal affairs. Any change in the existing situation, if such is necessary, must, in our view, be a change negotiated between all the Governments concerned.

(d) *Western Europe*

14. *As the prospect of the conclusion of a 5-Power Treaty of non-aggression and guarantee for Western Europe to replace the Treaty of Locarno is so remote, I would not propose that we should make the conclusion of such a Treaty an indispensable part of the general settlement which we have in mind. As an alternative, I would suggest that we should discuss with the German Government the possibility of supplementing the existing guarantees (Great Britain, France and Germany to Belgium, and Great Britain to France) by exchanges of declarations of non-aggression between the United Kingdom and Germany on the one hand, and between France and Germany on the other, thus following a method somewhat similar to that adopted in October 1937 by Germany as regards Belgium.*

15. In the present case, the declarations would have to be reciprocal, rather than unilateral as in the case of the German declaration to Belgium. Their form and content would also have to be somewhat different from that of the declaration made to Belgium. France's commitments to Poland, Czechoslovakia and Soviet Russia would make the drafting of the Franco-German declarations a much more difficult matter than the drafting of the Anglo-German declarations; for our commitments to Belgium and France, and our alliances with Portugal, Iraq and Egypt are unlikely to cause serious difficulty in the drafting of Anglo-German undertakings of non-aggression.

16. The possibility of making some declaration of policy to Germany (though without, on that occasion, expecting any declaration from Germany in return) was considered last autumn, as a result of the conversations that took place between Sir N. Henderson and General Goering, when the General said that what Germany asked was an assurance that Great Britain would not stab her in the back if she were attacked in the East. The draft of a declaration to meet this point was incorporated, with the necessary explanation and instructions, in a draft despatch to Sir N. Henderson. When this draft despatch was still under consideration, the visit of the Lord President of the Council to Germany was arranged, and the proposed action was suspended.[9] I take this opportunity of circulating to my colleagues the draft despatch (see Annex),[10] which was drawn up on that occasion. The terms of the declaration will be found set out in paragraph 13 of the draft.

17. I would suggest that we should now consider whether it is desirable that, as part of the proposed general settlement, we should make some such declaration to Germany in exchange for some analogous declaration on

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[9] See No. 238, note 4.

[10] See Annex to this document.

Germany's part. I would emphasise that I recommend such a system of declarations, on the assumption that they form part of a general settlement, which would include, among other things, assurances by Germany in regard to Central Europe, and the return of Germany to the League. (The draft prepared last autumn would naturally require some amendment, in view of the fact that the declarations now in contemplation would be made in substitution for, and not in anticipation of the conclusion of, a Western Pact.)

18. It will be seen that what we contemplated offering to Germany last autumn in the proposed declaration was not an unqualified undertaking of neutrality. Quite apart from other reasons, our membership of the League, and our existing commitments, make it impossible for us to give such an undertaking. But a declaration on the lines proposed might go very far to assure Germany that if she were the victim of an act of aggression from any quarter, we should not, in any event, intervene against her. In return we should certainly be entitled to ask Germany to make a similar general declaration, the most important effect of which would be that she would (though not, of course, in terms) undertake not to intervene against us if we were attacked in the Mediterranean or the Far East.

19. It cannot be claimed that such a declaration from Germany could be counted on to give us full security against German intervention. Everything would turn on which Power (ourselves or our adversary) was regarded by Germany as the aggressor, and which the victim; and on this point there might well be a difference of opinion between ourselves and Germany. Experience at Geneva has shown that there is no practicable way of defining the aggressor; and our experience of the Western Pact negotiations has shown the difficulty of agreeing upon a body which shall be entrusted with the duty of establishing the fact of aggression. Nevertheless, I think that the idea is worth consideration. It is as well to note, however, that (as in the case of an agreement on armaments—see paragraph 7 above) the proposed exchange of declarations would not constitute any specific contribution on Germany's part, but rather a joint contribution by Germany and ourselves.

20. Nothing less than the four desiderata outlined in the present memorandum would suffice in order to achieve the three aims set out in paragraph 2 above. The conclusion of an agreement in regard to armaments, Germany's return to the League, and satisfactory arrangements as to Central and Eastern Europe, would all promote appeasement in Europe, while an exchange of declarations between Great Britain and Germany would serve to place Anglo-German relations upon a stable basis and contribute to our security in the Mediterranean and the Far East.

21. Again, one of these desiderata, namely a satisfactory arrangement as to Central and Eastern Europe, is essential, inasmuch as it constitutes the only clear and concrete German contribution available for putting in the balance against the British contribution in the matter of ex-German colonies.

A. E.

Annex to No. 504

Draft Despatch[11] *to Sir N. Henderson*

October 1937

I have received and given consideration to your letter to me of the 10th October,[12] in which you set down the results of your conversation with General Göring during the visit you paid to him in the early days of this month at Rominten.

2. The purpose of this and of your earlier conversations with General Göring was twofold. They were designed, first, to obtain from the General an exact definition of the object of Germany's policy on each of the matters that he might raise with you; and, secondly, a precise statement of the way in which and the occasions on which, in his view, the action and policy of His Majesty's Government have prevented or are preventing the German Government from obtaining their objective.

3. It is evident that General Göring has not provided a satisfactory statement on the second of these questions. Indeed, he stated in his last interview with you that this was not so much a matter of concrete cases as of a whole 'mosaic.' In every question England was always on the opposite side to Germany, and he asked whether there could never be a conference at which England could be found on the same side as Germany. It must be admitted, therefore, that your conversations have not fulfilled their primary purpose.

4. On the other hand, the statements which you have already elicited from General Göring as to the objects of German policy, though in general they confirm what is already common knowledge, are of considerable interest in view of the fact that they have been made by one who, like General Göring, exercises great authority in the Germany of to-day. It is not my purpose to comment on these statements in the present despatch.

5. In the course of his conversation with you at Rominten, General Göring made two different, but not necessarily contradictory, proposals for the future of Anglo-German relations. In the first of these proposals the General outlined the bases of an Anglo-German understanding in two articles, as follows:

(1) Germany would recognise the special position of Great Britain and the British Empire and would undertake to join in no combination directed against their security;
(2) Great Britain would recognise the geographical position of Germany in Central Europe and would undertake to join in no combination directed against her unity.

6. At another point in the conversation, General Göring made his other proposal, which was to the effect that all that Germany asked was an

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[11] *Note in original*: Action was suspended, and this draft was not despatched.
[12] No. 238.

assurance that Great Britain would not stab her in the back if she was attacked in the East.

7. It is hardly necessary to say that the first of these proposals is not one which His Majesty's Government could possibly accept in its present form. You will not have overlooked the significance of the obviously intentional use of the word 'unity' as applied to Germany, in contrast with the word 'security' as applied to Great Britain and the British Empire. To suggest that His Majesty's Government should undertake to join in no combination directed against Germany's unity can have no other meaning than that His Majesty's Government should undertake not to intervene in any steps which Germany might at any time think proper to take in order to secure the incorporation within the Reich of those German populations living adjacent to her frontiers, whether these be in Austria, Czechoslovakia, Poland, Danzig, Memel or Denmark, or possibly even German Switzerland. Such an undertaking would be in conflict with the obligations of His Majesty's Government under the Covenant of the League of Nations. As a member of the League the United Kingdom cannot bind itself to take no action in the event of Germany committing an act of aggression against a member of the League. This is not to say that in the circumstances suggested His Majesty's Government would necessarily intervene by force of arms against Germany. The action, if any, which His Majesty's Government would take would depend on the circumstances of the case, upon the means at their disposal, and the extent to which general international collaboration was secured. Apart from Great Britain's responsibilities as a member of the League, her position as one of the Great Powers of Europe makes it impossible for His Majesty's Government to subscribe to a policy of detachment as regards international developments in any given part of Europe, irrespective of the circumstances which may have given rise to these developments.

8. I am aware that this may not be a conception of international relations which commends itself to the German Government; but His Majesty's Government are no less entitled than are the German Government to maintain the view which they hold as to the principles upon which international affairs should be conducted.

9. Nor would it be correct to assume that because His Majesty's Government could not contemplate with detachment any forcible disturbance of the status quo, they are opposed to any discussion of change. What His Majesty's Government are unable to condone is any change in the international status of a country achieved by force against the will of its inhabitants, or any forcible interference in its internal affairs. Any change in the existing situation, if such is necessary, must, in the view of His Majesty's Government, be a change negotiated between those concerned.

10. General Göring's other proposal, which was to the effect that all that Germany asked was an assurance that Great Britain would not stab her in the back if she was attacked in the East, deserves further consideration. To allow this statement to pass without rejoinder would be almost to admit that there might be some justification for it; and it was precisely in order to dispel any

such misunderstanding of our attitude, and to put an end to unfounded assertions of this nature, that the present series of conversations with General Göring was set on foot.

11. Another argument against allowing the conversations to lapse at this point is that General Göring's various statements, which he says have been made with Herr Hitler's knowledge and approval in principle, may be held by the German Government in the future to have constituted a further German 'peace offer,' and that it would thus be unwise for us to give any justification for future allegations that we had completely ignored it.

12. I am disposed, therefore, to make a statement to the German Government of the principles which govern the foreign policy of His Majesty's Government in their relations with Germany, in the hope that it may tend to remove any existing misunderstandings and lay the foundation for the development of more confident relations between the two Governments in the future. It is not to be expected that any statement which His Majesty's Government would find it possible to make on this point could completely satisfy the German Government, but I think it well to make His Majesty's Government's position clear in formal fashion in the hope that certain unfounded misapprehensions on the German side may be dispelled.

13. The lines upon which I would propose to define the attitude of His Majesty's Government are the following:

(1) His Majesty's Government in the United Kingdom have no aggressive intentions against Germany.

(2) His Majesty's Government have no intention of combining with other Powers for aggressive purposes against Germany.

(3) The United Kingdom is a Member of the League of Nations, and His Majesty's Government cannot accordingly disregard the obligations resulting from the Covenant. These obligations, however, could not involve military action against Germany unless Germany had herself first attacked some other Power.

(4) Accordingly His Majesty's Government do not conceive the possibility of their engaging in hostilities against Germany unless Germany should herself have first attacked some other Power. If the Power attacked were Belgium or France, His Majesty's Government would be bound to go to the assistance of that Power, under the conditions laid down in the Locarno Treaty. There are certain other Treaties of Alliance by which His Majesty's Government are bound. (*Alternative draft of last sentence:* His Majesty's Government might also have to take into account their Treaties of Alliance with Portugal, Iraq and Egypt.)

(5) In the event of an unprovoked attack upon Germany by another Power His Majesty's Government would not join with that Power in attacking Germany. On the contrary, in that event the position of His Majesty's Government would be as follows:

If a new Western Treaty can be concluded, His Majesty's Government would be ready, in the conditions prescribed in that Treaty, to come to the assistance of Germany in the event of an unprovoked attack upon her by France. Apart from this case, in the event of an unprovoked attack upon Germany, His Majesty's Government would observe neutrality, unless indeed the circumstances were such as to produce the application of the provisions of the Covenant against the Power which had attacked Germany.

14. The form in which this statement of policy should be embodied is a matter for further consideration. I am inclined to suggest that the most convenient method would be a formal declaration by His Majesty's Government to the German Government based upon the foregoing principles. Such a declaration, following upon the recent declaration made by the German Government to the Belgian Government might commend itself to Herr Hitler, the more so in view of his preference in principle for bilateral arrangements. A declaration of this kind would have the further advantage that it would serve in some degree to re-define the relations between the United Kingdom and Germany, which have been left unregulated since Germany's denunciation of the Locarno Treaty and by the failure of the five Powers to negotiate a new Treaty to take its place. Such a re-definition has already been achieved as between Belgium, the United Kingdom and France in Section III of the Text of Proposals of the 19th March, 1936,[13] and in the Anglo-French declaration to Belgium of the 24th April, 1937,[14] and as between Belgium and Germany in the German declaration to Belgium of the 13th October, 1937.

15. It would not be my intention to ask the German Government to make any corresponding declaration in reply. To ask for payment in return for the assurances now in question might be open to the interpretation that, failing such payment, the assurances would not be given, and Great Britain would, in that event, reserve her liberty to 'stab Germany in the back.'

16. At the end of the conversation with you at Rominten, General Goering suggested that a meeting should be arranged between Your Excellency, Herr Hitler and himself. I approve this suggestion, and the present despatch is sent to you for your instruction and guidance when the proposed meeting makes place. Paragraph 11 is for your own information only, and should not be used in argument with the Chancellor.

17. The suggestion that His Majesty's Government might make a statement of policy, and that this statement might take the form of a declaration, should be put forward in a tentative and provisional way. If the conversation develops favourably, and you are satisfied that such a course is desirable, you may at your discretion leave with the Chancellor the text of the suggested statement of policy, as set out in paragraph 13 above, which should bear the heading: 'Bases of suggested statement of policy.' If Baron von Neurath should not be present at the conversation, it is desirable that you should see him after you have seen the Chancellor, and rehearse with him the matters you have covered in your conversation with Herr Hitler.

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[13] See Volume XVI, No. 144.

[14] See Volume XVIII, No. 431.

18. If the Führer takes the line that the proposed declaration does not adequately cover the points of difference between the two Governments, you should invite him to say what those questions are and to state his views as to how, in his opinion, they ought to be resolved. In this connexion you may find it convenient to refer to the views he expressed in his recent interview with the Aga Khan,[15] and to ask him to elaborate the ideas which on that occasion he outlined. You will, of course, have to make it clear that on this occasion you can only report Herr Hitler's comments and are not in a position to give definite replies to any proposals he then put forward or may put forward to you. For the rest, you should in general be guided by the instructions in my despatch No. 905 of the 15th July.[16]

19. If it should be suggested by Herr Hitler that the German Government would be unwilling to receive such a declaration from His Majesty's Government unless a similar declaration were made to the Italian Government, you should explain that it is precisely such a clarification of their relations with the Italian Government that His Majesty's Government have in view; that the Anglo-Italian declaration of December 1936[17] was a first step towards such a clarification; and that His Majesty's Government wish for nothing better than that the state of Europe should take such a turn for the better as to make it possible for their conversations with the Italian Government to be fruitfully pursued.

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[15] See No. 469, note 15.

[16] No. 41.

[17] See Volume XVII, No. 530.

No. 505

Mr. Eden to the Earl of Perth (Rome)

No. 176 [*R 1230/23/22*]

FOREIGN OFFICE, *February 10, 1938*

My Lord,

I had a conversation of more than an hour's duration with the Italian Ambassador this afternoon. Count Grandi began by saying that he had received some instructions from Rome, and from the wording of them he thought that they bore the hall-mark of Signor Mussolini himself. His previous conversations with me had been sincerely welcomed, and he was asked to repeat that the Italian Government were ready at any time to open conversations with us. In his anxiety not to raise false hopes, his Excellency had perhaps under-estimated the significance of his talks with me, which he had described as preliminary, even to the preparations for the opening of conversations. When conversations were actually opened, the Italian Government desired that they should be held in Rome between Count Ciano and your Excellency, as had, in their view, been originally contemplated. His Excellency added that he was confident, from the nature of the communication he had received, that Spain was not to be excluded from the topics.

Indeed, the Italian Government desired the conversations to be as wide as possible, and, of course, to include the subject of *de jure* recognition. The Ambassador explained that he fully realised the importance which we attached to the Spanish question, but at the same time he hoped that we would be careful in our approach to this question, in order not to place the Italian Government in an impossible position.

2. His Excellency continued that he had welcomed the tone of the press in this country, and that he hoped it could be maintained at something approaching the present note. It was important not to raise excessive hopes, as had perhaps been done occasionally, nor at the same time to speak too pessimistically. He was particularly pleased to have nothing to complain about in the attitude of the Opposition press. He thought that the Italian press had also been good. If it had not been as enthusiastic as we might have expected, he must confess that this had been due to him. He had advised his Government not to exaggerate hopes at this stage, and he was sure that such counsel was wise. I agreed.

3. We then turned to discuss the work of the Non-Intervention Committee, when I asked his Excellency whether he recalled that Lord Plymouth had spoken to him of the scheme which we now favoured for making progress with the withdrawal of volunteers. A note on the proposal is attached (Annex A).[1] His Excellency said that he recalled this among other proposals and that he preferred it of those which were given to him. He thought it ingenious and had already referred it in general terms to his Government, indicating that such was his view. In the light of what I had said to him, however, he would commend the scheme more warmly. His own view was that it certainly had possibilities, though the figure of 15,000 or 12,000 was high. The Italian Government would not, he thought, ask for a drastic reduction, but a figure of 9,000 or 10,000 would be easier for them to accept. I explained to his Excellency that if the scheme found favour with his Government, my idea was to convene a meeting, not of the Sub-Committee of the Non-Intervention Committee, but of the four or five Ambassadors principally concerned, and see if we could not reach agreement. I should therefore be grateful if the Ambassador could let me have his Government's views as soon as possible. Count Grandi replied that there would be no difficulty about that, and that

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[1] This note read: 'The committee should fix in advance a figure, e.g., 15,000 or 12,000, as the criterion for substantial progress. This figure would represent the number of volunteers to be evacuated from that side which was found, by the commissions, to have the smaller number; while the other side would have to evacuate a proportionately larger number in accordance with the figures produced by the commissions. E.g., if the commissions reported that one side had 60,000 and the other side 40,000, then the latter would have to evacuate the 15,000 (or 12,000) already fixed by the committee, while the former would have to evacuate 22,500 (or 18,000).'

This proposal had been worked out by Lord Plymouth and Mr. Hemming in an attempt to break the deadlock in the N.I.C. over the volunteer withdrawal question: cf. No. 494, note 2. Lord Plymouth had meetings on February 8 and 9 with representatives of Italy, France, Russia, Portugal, and Germany to put the proposal to them. Dr. Woermann's account of his interview with Lord Plymouth is printed in *D.G.F.P.*, Series D, vol. iii, No. 523: cf. also Nos. 518 and 519.

he would communicate with me further as soon as possible. He also approved the procedure that I had suggested. I had the impression that Count Grandi would strongly recommend the scheme to his Government, and that he thought it probable that they would approve it. He stated, however, 'You must realise that my Government would not have looked at this proposal but for the improvement in our relations which is taking place, for in truth it is your old proposal of percentage under another form. It is, however,' he added, 'a very important factor that it is under another form, for this will make it easier for my Government.' There would, however, remain, Count Grandi emphasised, the question of the restoration of control, which he knew to be a difficult one for the French Government. I replied that I understood that, but that it would at least be a step forward if the Italian Government would accept the solution I had suggested, subject to a solution being found for the remaining principal difficulty, i.e., that of control.

4. His Excellency then explained that the number of Italian volunteers in Spain had been decreased recently. No more infantry had gone to Spain for many months past. At our last interview I had mentioned that we had information to show that airmen had gone. His Excellency had made certain enquiries and his impression was that the reinforcements were rather in the nature of replacements. After some further detailed discussion of work of the Non-Intervention Committee, his Excellency repeated his undertaking to let us have an early reply to our proposals.

5. I then mentioned that his Excellency had referred to the question of *de jure* recognition. He would be aware how difficult a subject this was for us. We had many times made clear our own position, that we were bound to act in this matter as loyal members of the League. His Excellency nodded assent. At the same time, I continued, it seemed to me that the attitude of the League, and more particularly the Mediterranean Powers, would no doubt be considerably influenced by the fact, if it were to become a fact, that we and the Italian Government had reached an agreement which was a real contribution to general appeasement. I felt sure that this factor would have great weight in the public opinion, not only of this country, but also of France, the other Mediterranean States, and America also. Count Grandi replied that he fully understood that. At the same time he would like to ask me my views about machinery. If the League had to express an opinion, would that mean necessarily a delay until September? He thought that would be a pity if we were making rapid progress. On the other hand, he saw difficulty in a special meeting of the Assembly. Was there any other alternative? I replied that I had not given detailed consideration to the question of machinery, but I did not think that this need be an insuperable obstacle. The important question in the view of world opinion would be the extent of the contribution which our two Governments had been able to make not only to the betterment of Anglo-Italian relations, but to European appeasement as a whole. His Excellency would be aware that I had had conversations with the French Government on this subject recently, and this, I felt quite sure, was their point of view. Hence the significance of making progress with the Spanish problem,

which was the most potent source of danger in Europe at the present time. After some further discussion we both agreed that at some future meeting the question of the time-table would need to be carefully considered.

6. I then reminded his Excellency that on the last occasion we had had some conversation on the subject of propaganda, when he had mentioned to me certain complaints that the Italian Government had made. I had looked into this and understood that they were concerned with Abyssinian refugees in Kenya, and that some explanations had been furnished to him. I desired to make it absolutely clear to the Italian Government that if they had any complaints of any kind against us they had only to bring them to us and they would be investigated. We proposed to treat them with a like frankness. It would be revealing no secret to his Excellency if I were to tell him that it would not be difficult for us to make difficulties in Abyssinia for the Italian Administration. I could only ask him to accept my word for the fact that we had done nothing of the kind. Count Grandi interjected that he knew we had not. I continued that on this basis it was all the more necessary that we should speak without reserve. I had caused a summary of the recent Bari broadcasts to be prepared for me. I gave his Excellency a copy (Annex B).[2] I asked him to read it, when I thought that his reflection would be the same as mine; that these examples were cleverly constructed, but that their cumulative effect was definitely unfriendly and intended to be detrimental to this country. By the use of quotation and the misrepresentation of news derived from other sources, an impression was created both of this country's decadence and an exaggerated picture painted of its difficulties. Count Grandi thanked me for giving him this document, which he said would help him in Rome. Moreover, the manner in which I had introduced it by suggesting that the Italian Government should put forward their complaints would further facilitate his task. In further discussion on this subject, I emphasised that it would be of the greatest assistance to us here in improving the atmosphere for further conversations if we could show that there had been an improvement in the Bari broadcasts. When a question had been put to me on Monday, I had made careful enquiry to see whether I should not be justified in speaking of such an improvement, but, frankly, the evidence was against me. Count Grandi indicated that he fully appreciated the importance of the matter. I would recollect that last summer I had appealed to Signor Mussolini personally to moderate the Bari broadcasts on the publication of the Royal Commission's Report on Palestine.[3] Signor Mussolini had made an immediate response. His Excellency's own view was that the Italian Ministry of Propaganda, mindful of the instructions given to them by Signor Mussolini at that time, had since been presenting their news in a manner unfavourable to us without directly infringing the instructions. I had the impression that Count Grandi hoped to secure some improvement in the Bari broadcasts, though he did not pledge himself in any way.

7. In the course of the discussion, Count Grandi made it plain that in his view the conversations ought at some stage to be transferred to Rome. It was

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[2] Not printed.

[3] See No. 19.

not so much the necessity for a formal opening, which might not be required, as the fact that he felt confident that the position would be easier if the conversations were continued in Rome. Count Grandi added that he felt sure I would know how much he himself would like to carry this work through to a conclusion in London as quickly as possible, but he felt it only fair to tell me his own conviction in the matter. Personally, he was very glad of the preparatory moves and of the use which we had made of them. They had served several helpful purposes, among which familiarising the Italian public with the idea that he and I could discuss together the improvement of Anglo-Italian relations was by no means the least important. This would assist to eliminate certain suspicions of myself in Rome which would have been difficult to eliminate by any other means. At some stage or other, he emphasised, a transfer to Rome was very desirable. Count Grandi seemed in very good spirits throughout the conversation, and will, I feel sure, do his utmost to carry matters a stage further within the next few days, if possible perhaps by assisting to remove the deadlock on the Non-Intervention Committee.

I am, &c.,
ANTHONY EDEN

No. 506

Mr. Palairet (Vienna) to Mr. Eden (Received February 11, 2.25 p.m.)

No. 12 Telegraphic [*R 1225/137/3*]

Immediate Secret VIENNA, *February 11, 1938, 1.30 p.m.*

State Secretary[1] sent for me this morning to tell me in strictest confidence that Chancellor and he are visiting Herr Hitler in Bavaria tomorrow at latter's invitation. Object of meeting is to discuss means for improving working agreement of July 11th[2] and removing causes of trouble in Austro-German relations.

I asked State Secretary whether disagreeable surprises in shape of unacceptable demands might not be sprung upon them. He said decidedly not: it had been settled beforehand that meeting (which he thought had been initiated by German Minister here to gild his departure now postponed for a few weeks) should in no circumstances be allowed to make situation worse. He did not know what line discussion would take but it was thought result would be general affirmation of agreement of July 11th and determination to make it work well. Austria would not accept anything she did not want.

I asked him why he thought Herr Hitler wanted a meeting now; he said he did not know unless it were to show that reorganisation in Germany did not mean aggressive tendencies. He said opportunity should not be lost by Austria on both political and economic grounds.

He begs that absolute secrecy may be maintained as nothing is to appear in press until after the meeting. He foresees intense dissatisfaction in Nazi circles here but I imagine this feeling will be shared by supporters of Government.

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[1] Dr. Schmidt.

[2] See Volume XVI, No. 436, note 4.

He has promised to inform me if anything further develops during today.

Though far from sharing State Secretary's confident optimism, I feel sure that Dr. Schuschnigg would not go to meeting if he thought it endangered Austrian independence and he may well welcome opportunity of ascertaining Hitler's present policy and true explanation of recent events in Germany which still cause bewilderment and anxiety here.[3]

[3] The meeting took place at Berchtesgaden on February 12. A *communiqué* published in the *Reichspost* on February 13 stated briefly that the Austrian Federal Chancellor, Dr. Schuschnigg, accompanied by Dr. Guido Schmidt, had paid a visit to the Führer and Chancellor of the German Reich at Obersalzburg, on the latter's invitation. Herr von Ribbentrop was present. This 'unofficial' meeting was stated to be 'the outcome of a desire on both sides to confer on all questions concerning relations between the German Reich and Austria'. A translation of the text of this *communiqué* is printed in *Documents on International Affairs*, 1938, vol. 2, p. 47. Identical German and Austrian *communiqués* issued on February 15 (*ibid.*, pp. 47–8) stated that the aim of the conversation had been to clear up the difficulties which had arisen in the working of the Austro-German agreement of July 11, 1936, and that both parties had decided on the immediate execution of measures to ensure a close and friendly relationship between the two states.

The browbeating to which the Austrian Chancellor had to submit at Berchtesgaden was not incompatible with Herr Hitler's desire to achieve his aims in regard to Austria by 'evolutionary' methods. These were defined in a document presented to Dr. Schuschnigg on February 12 containing ten measures which he was required to carry out by February 18: see *D.G.F.P.*, Series D, vol. i, No. 294. These measures were accepted by Dr. Schuschnigg, with certain modifications, on February 15 (see *ibid.*, No. 299). They were not published at the time, but their general nature soon became evident. On the same day it was announced that Dr. Seyss-Inquart was appointed Minister of the Interior with authority over security, and Dr. Schmidt Foreign Minister. Cf. Nos. 513, 516–7, and 569 below.

No. 507

Mr. Eden to Sir N. Henderson (Berlin)

No. 15 Telegraphic [*C 856/42/18*]

Immediate FOREIGN OFFICE, *February 11, 1938, 2.45 p.m.*

Your telegram No. 23.[1]

I fully appreciate the force of the arguments in favour of delaying our approach until after the Reichstag meeting on February 20th; and in addition I realise how unfortunate it would be if a message of this importance were to be delivered to the Chancellor at a time when he was so deeply preoccupied that he would not be in a position to give adequate attention to it. At the same time there are considerations on the other side. If, within the next week or so, no sufficient account were given to the German Government of the work which we have been doing here since Lord Halifax's conversation with the Chancellor, the latter might, in his speech on 20th February, complain of our dilatoriness, or even pose as one who had made a further peace offer which had been ignored. We have had experiences of this kind in the past and I am anxious to avoid any repetition of these on the present occasion. Is not this all the more likely in view of your recent visit to London, which you explained to von Neurath was to take part in work in which His Majesty's Government have been engaged for following up Halifax conversation.

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[1] No. 500.

Moreover the knowledge of our proposal might have some influence on the nature of the Chancellor's pronouncement and make it less likely that he would than take up some extreme position from which he could not subsequently withdraw.

The situation in Germany is at present so obscure that I wish, before sending you final instructions on this point, to give you a further opportunity of expressing your views on the timing of our proposed communication to the German Government. My view is that, as a minimum, your immediate action should be as follows: you would let it be known to Herr von Ribbentrop and the Chancellor that you would wish to see Herr Hitler whenever he is prepared to receive you, because you have a mssage to deliver to him as an outcome of his conversation with Lord Halifax; and you would ask to be informed what date the Chancellor would propose.

I should be grateful for an immediate expression of your views.

I hope to be able to send you the text of the proposed communication at latest tomorrow.

No. 508

Sir N. Henderson (Berlin) to Mr. Eden (Received February 11, 7.5 p.m.)

No. 29 Telegraphic: by telephone [*C 1019/42/18*]

BERLIN, *February 11, 1938*

I am inclined to think that Herr von Ribbentrop, in spite of having yesterday formally taken over his new post as Minister for Foreign Affairs, will go to London probably after February 20th in order to present his letters of recall. If so, I would definitely regard this as proof that he wishes to work for an understanding with Great Britain. Though he must doubtless resent failure of his London mission, I feel fairly confident myself that before becoming definitely anti-British he will in self-interest endeavour as Minister for Foreign Affairs to carry through what he failed to accomplish as Ambassador. His present post gives him a last opportunity and I think that His Majesty's Government would be wise to play on that fact and on Herr von Ribbentrop's personal vanity. He has no ideas of his own, but if ideas can be suggested to him, in a manner that enables him to assume paternity for them, much can possibly be done through him.

If this point of view appears reasonable to you, I would suggest as much benefit as possible be got out of his visit to London. By this I mean that he should be taken freely into the confidence of His Majesty's Government on lines of discussion held when I was in London last week. If you agree, I would further suggest that, until after Herr von Ribbentrop's return from London, any approach here should be limited to the statement which I might make to Herr Hitler at dinner on February 15th, when he entertains the *Corps Diplomatique*. I shall then, if not before, learn definitely whether Herr von Ribbentrop will in fact present his own letters of recall and, if he feels any hesitation on the subject, I propose to urge him to do so, ostensibly on the grounds of courtesy, but with the inner conviction that such a visit may afford a most opportune chance of enabling Herr von Ribbentrop to put up to Herr Hitler thereafter ideas of His Majesty's Government which he will describe as his own.

In any case, whether Herr von Ribbentrop goes to London or not, I would suggest that I endeavour to arrange a brief conversation with Herr Hitler at that dinner and speak to him on the lines of paragraphs 1 and 2 and, very vaguely, paragraph 3 of draft instructions to me.

At the same time I might suggest to Herr Hitler that it would be helpful if, in speech . . .[1] February 20th, he were to foreshadow possibility of some limitation of armaments, were to make appreciative reference to M. van Zeeland's report,[2] and were to refrain from over-emphasizing Colonial question.

I might add to him that I anticipated receiving instructions from you to speak to him more fully on the subject some time after February 20th.

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[1] The text was here uncertain.

[2] See No. 440.

No. 509

Sir N. Henderson (Berlin) to Mr. Eden (Received February 11, 7.10 p.m.)

No. 31 Telegraphic: by telephone [*C 1020/42/18*]

Immediate BERLIN, *February 11, 1938*

Since sending my telegram No. 29[1] I have received your telegram No. 15.[2] I fully appreciate force of considerations you advance and it was for this reason that I took first opportunity of speaking to Baron von Neurath as reported in my telegram No. 23.[3]

I agree that it would be well to make certain that the Chancellor is acquainted with the situation and the course proposed in last three paragraphs of my telegram No. 29 is what I would suggest. Unless I see Herr von Ribbentrop in ordinary course of events beforehand or unless the dinner is put off I would propose to act accordingly.

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[1] No. 508.

[2] No. 507.

[3] No. 500.

No. 510

Mr. Eden to Sir N. Henderson (Berlin)

No. 18 Telegraphic [*C 1020/42/18*]

Immediate FOREIGN OFFICE, *February 12, 1938, 1.55 p.m.*

Your telegrams Nos. 29[1] and 31[2].

Final text of communication to be made to Chancellor will reach you on February 14th in my despatch No. 164[3] in which you are instructed to take no action on that despatch until receipt of further telegraphic instructions. It is hoped to send you these on February 14th. Till then you should make no reference either to von Ribbentrop or to von Neurath on the subject. Your meeting with the Chancellor on the 15th will no doubt give you an opportunity to speak to him, and in the telegram which we hope to send you on February 14th we will give you instructions as to the language you are to hold on that occasion, taking into account the suggestions made in your telegram No. 29.

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[1] No. 508.

[2] No. 509.

[3] No. 512 below.

No. 511

Sir N. Henderson (Berlin) to Mr. Eden (Received February 12, 3 p.m.)

No. 33 Telegraphic [*C 1027/42/18*]

Immediate BERLIN, *February 12, 1938, 2.33 p.m.*

My telegram No. 31.[1]

As I shall not probably get much time to speak to Herr Hitler on February 15th and having regard to suggestions which I would like to make to him concerning his speech on February 20th I submit I be authorized to talk quite briefly and roughly as follows:

During my visit to London I had found His Majesty's Ministers determined to ensure sequel to Lord Halifax's visit: that they were studying the matter on bilateral lines namely from the point of view of genuine peace and tranquil[l]ity of the world as well as establishment of permanent friendly relations with Germany. Looked at from bilateral angle there could be no question of bargain on one side or the other. But if these matters were to be settled in bilateral way Germany also must make her contribution.

I attach particular importance to 'bilateral settlement'.[2] When I recently spoke to Baron von Neurath on these lines (see my telegram No. 23)[3] his reaction thereto was noteworthy.

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[1] No. 509.

[2] Mr. Eden wrote on the filed copy of this telegram: 'Bilateral is impossible. Henderson should speak as instructed. A.E.' Sir A. Cadogan added the comment: 'But surely Sir N. Henderson is using that disgusting word "bilateral" in the wrong context. He doesn't really mean bilateral at all, as I understand his tel. A.C. Feb. 14/38.'

[3] No. 500.

In the matter of a Colonial settlement I would propose to be as vague as possible, indicating that you would speak in greater detail to Herr von Ribbentrop if he goes to London (I consider it as important that latter should regard himself as sponsor of any scheme put forward).

Finally I would make remarks about the speech on February 20th in the form of entirely personal suggestions.

Herr von Ribbentrop himself is down at Berchtesgaden so that before the dinner itself I cannot know definitely whether he is actually going to London.

No. 512

Mr. Eden to Sir N. Henderson (Berlin)

No. 164[1] [*C 995/42/18*]

Secret FOREIGN OFFICE, *February 12, 1938*

Sir,

In the present despatch I send you instructions as to the terms in which you are to approach the German Government on the matters which His Majesty's Ministers discussed with you during your recent visit to London.[2] In making your communication, you should emphasise its absolutely secret character. I shall send you supplementary instructions by telegram regarding the moment at which your approach to the German Government should be made.[3] Pending the receipt of those telegraphic instructions, you should not take any action on the present despatch.

2. You should inform the German Chancellor and the German Foreign Minister that during your recent visit to London you have had discussions with His Majesty's Government in the United Kingdom on all the issues arising out of the conversations held during Lord Halifax's recent visit to Germany.[4] These issues naturally cover the contributions towards appeasement which, as the bases of a possible agreement, each country might be able to make in Europe and elsewhere.

3. In order not to create misunderstanding which might give rise to greater difficulties at a later stage, you should remind the German Government of the observations you made recently as to the importance that would be attached, not only by His Majesty's Government, but by other Governments, to German collaboration in appeasement. Mention should be made of Czechoslovakia and Austria as illustrative of the general principle of collaboration.

4. You should refer to the question of limitation of armaments and say that, while His Majesty's Government recognise the difficulty of making progress on this subject if treated as a general question, they have taken note of the German Chancellor's references to bombing, a subject which they agree with him in regarding as of great importance. They attach still greater importance—and they believe the German Government do the same—to a

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[1] Circulated to the Cabinet on March 3 as C.P.(54)38.

[2] See No. 488.

[3] See No. 514 below.

[4] See No. 336.

limitation of bombing aircraft. You should say that the suggestions made by Herr Hitler in the past are being carefully considered, and that His Majesty's Government themselves are making a study of the whole question. They earnestly hope that it may be possible to reach agreement on practical proposals that will command general assent.

5. As regards the colonial question, you might say that you had found a real disposition to study this question carefully in all its bearings and to make progress if possible. The question, of course, was full of difficulties, as the German Government were well aware, and, as the German Government were also aware, public opinion in this country was extremely sensitive on the subject. You could say that every aspect of the problem has been under close examination by His Majesty's Government. A solution which seemed to them to have many attractions might be found in a scheme based upon the idea of a new régime of colonial administration in a given area of Africa, roughly corresponding to the conventional zone of the Congo Basin Treaties, acceptable and applicable to all the Powers concerned on exactly equal terms. Each Power, while solely concerned for the administration of its own territories, would be invited to subscribe to certain principles designed to promote the well-being of all. Some indication of the régime might be given, starting perhaps from the conception of the Berlin Act of 1885.[5] For instance, there would be the question of demilitarisation; also perhaps a commission consisting of representatives of all the Powers having territory in the area covered by the new arrangements, as well as stipulations for the welfare and progress of the natives, and for freedom of trade and communications. You should endeavour to ascertain in general terms how the German Government are disposed to view this suggestion. You should not at this stage discuss what particular territories might be transferred.

6. If this suggestion meets generally with a favourable reaction on the part of the German Government, fuller instructions will be sent to you later.

7. I am instructing His Majesty's Ambassador in Paris to make a communication to the French Government in the terms shown in the following paragraph, and you are authorised to use the same terms in acquainting your French colleague with your approach to the German Government. In both cases the absolutely secret character of the communication is to be emphasised. You should not make this communication to your French colleague until after you have made your communication to the German Government.

8. The terms of the communication to the French Government will be as follows:

As the outcome of the conversations which took place at the time of Lord Halifax's visit to Germany, His Majesty's Government in the United Kingdom have been considering what steps might be taken to bring about a measure of appeasement in Europe. As the French Government are aware, His Majesty's Government have been examining the various difficulties that surround any solution of the colonial question. They think it desirable, as a first step, to learn a little more of what is in the mind of the German Government on this question, and more especially how far the German Government are prepared to go in making a concrete contribution in respect of Central Europe and disarmament. As regards the colonial question, they wish to take some soundings in Berlin with the object of finding out on what lines a solution might be possible. Instructions in this sense have been sent to His Majesty's Ambassador in Berlin. At the present stage, no definite scheme is being put forward, and no commitments entered into or undertakings given. His Majesty's Government wish to take this opportunity of repeating to the French Government their assurance that they would not contemplate making any proposals that did not involve a contribution on the part of His Majesty's Government equivalent to any contribution that might be made by the French Government. In any event, they will inform the French Government of the results, if any, of their soundings in Berlin, since they realise that very close consultation between His Majesty's Government and the French Government will be necessary before any course of action is finally settled.

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[5] See No. 226, note 1.

I am, etc.,
ANTHONY EDEN

No. 513

Mr. Palairet (Vienna) to Mr. Eden (Received February 14, 9.30 a.m.)

No. 15 Telegraphic [*R 1287/137/3*]

VIENNA, *February 13, 1938, 10.50 p.m.*

I hear from fairly reliable source that document signed by two Chancellors (but subject to the approval of Austrian President) comprises recognition by Herr Hitler of 1934 constitution and undertaking to tolerate no Nazi interference with the internal affairs in Austria; while Dr. Schuschnigg agrees to appoint Seyss Inquart as Minister of the Interior and to allow Nazis the same freedom of expressing opinions as legitimists.[1]

Meeting had apparently been planned some time ago. If Dr. Schuschnigg has really made the above concessions his position here will I think be seriously weakened.[2]

I hope to see State Secretary tomorrow.

Repeated to Berlin No. 6.

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[1] See No. 506, note 3.

[2] A marginal comment by Mr. Eden on this sentence read: 'Yes, I hope he has not. A.E.'

No. 514

Mr. Eden to Sir N. Henderson (Berlin)

No. 20 Telegraphic: by telephone [*C 1027/42/18*]

Immediate FOREIGN OFFICE, *February 14, 1938, 6.50 p.m.*

My telegram No. 18.[1]

I have carefully considered your telegrams Nos. 29, 31, and 33[2] and have reached the following conclusions:

You should at the earliest convenient moment let it be known to Herr von Ribbentrop and the Chancellor that you would wish to see Herr Hitler whenever he is prepared to receive you, since you have a message to deliver to him as an outcome of his conversation with Lord Halifax; and you should ask to be informed of the date which the Chancellor would propose. If you think it convenient, you may speak in this sense to the Chancellor when you meet him at the dinner to the *Corps Diplomatique* on February 15th. I doubt very much whether that would be a suitable occasion for you to develop our proposals as set forth in the instructions contained in my despatch No. 164,[3] or even to give him an incomplete outline of their contents such as you propose in your telegrams under reply. I should prefer that Herr Hitler should hear our communication at an interview specially arranged for that purpose.

If the Chancellor should appoint a date for such an interview, you should immediately inform me; but you are hereby authorised in the event of his so doing to act as instructed in my despatch No. 164. You will of course realise the importance of keeping strictly within these limits.

If Herr von Ribbentrop is not present at that interview, you should of course repeat to him what you have said to the Chancellor. You should also, if you see no objection, let Baron von Neurath know of the approach you have made to the Chancellor.

I would still prefer that action on my despatch No. 164 should be taken before rather than after the Chancellor's speech on February 20th, and if the Chancellor shows signs of wishing to hear your communication before the date, you should not discourage him.

In any event, I am doubtful of the wisdom of your making any suggestion to the Chancellor as to the contents of his speech on February 20th, as you suggest in your telegram No. 29, though I am prepared to leave this to your discretion.

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[1] No. 510.

[2] Nos. 508, 509, 511 respectively.

[3] No. 512.

No. 515

Mr. Eden to Sir E. Phipps (Paris)

No. 28 Saving: Telegraphic [*C 1027/42/18*]

Secret FOREIGN OFFICE, *February 14, 1938, 7 p.m.*

On receipt of further instructions from me, but *not* before, you should make an oral communication to the French Minister for Foreign Affairs in the terms shown below,[1] emphasising its absolute secrecy:

Begins: As the outcome of the conversations which took place at the time of Lord Halifax's visit to Germany, His Majesty's Government in the United Kingdom have been considering what steps might be taken to bring about a measure of appeasement in Europe. As the French Government are aware, His Majesty's Government have been examining the various difficulties that surround any solution of the colonial question. They think it desirable, as a first step, to learn a little more of what is in the mind of the German Government on this question, and more especially how far the German Government are prepared to go in making a concrete contribution in respect of Central Europe and disarmament. As regards the colonial question, they wish to take some soundings in Berlin with the object of finding out on what lines a solution might be possible. Instructions in this sense have been sent to His Majesty's Ambassador in Berlin. At the present stage, no definite scheme is being put forward, and no commitments entered into or undertakings given. His Majesty's Government wish to take this opportunity of repeating to the French Government their assurance that they would not contemplate making any proposals that did not involve a contribution on the part of His Majesty's Government equivalent to any contribution that might be made by the French Government. In any event, they will inform the French Government of the result, if any, of their soundings in Berlin, since they realise that very close consultation between His Majesty's Government and the French Government will be necessary before any course of action is finally settled. Ends.

It is my intention that above communication should be made to the French Government a little in advance of the action by His Majesty's Ambassador at Berlin. Sir N. Henderson is being authorised to make a communication in the same terms to his French colleague, but only after he has made his approach to the German Government.[2]

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[1] Cf. No. 512.

[2] In a further telegram, No. 30 Saving of February 16 to Sir E. Phipps, Mr. Eden referred to the view put by M. Delbos on January 25 (No. 473) that either the French or the U.K. Government should raise with Herr Hitler the question of the humanization of war, without necessarily waiting for other questions to be dealt with in any detail. When the time came to tell the French Government about Sir N. Henderson's initiative, Sir E. Phipps was to say to M. Delbos that Sir N. Henderson had been instructed to recall to Herr Hitler that he had himself expressed interest in the possibility of limiting air bombardment and bombing aeroplanes.

No. 516

Mr. Palairet (Vienna) to Mr. Eden (Received February 15, 9.30 a.m.)

No. 16 Telegraphic [*R 1298/137/3*]

Confidential VIENNA, *February 15, 1938, 12.50 a.m.*

My telegram No. 15.[1]

State Secretary told me this evening[2] that meeting had been extremely difficult.[3] Its result in principle was acceptance by Austrian Government of Seyss Inquart as head of Public Security and of admission to Patriotic Front of National Socialists as long as they recognised Austrian Constitution and joined in agreement. National Socialists now in prison are to be amnestied and Dr. Schuschnigg is determined to extend this amnesty to Socialists.

I asked whether first two concessions were not dangerous as first step to complete Nazification. State Secretary said no: Seyss Inquart was honest in his attachment to Austrian independence and was also a practising Catholic. As for admission of Nationalists to Patriotic Front, formula for this had yet to be found. In any case Dr. Schuschnigg had no alternative. Hitler had asked for much more (including a National Socialist Minister of Defence) and heads of German armed forces had been present at Berchtesgaden.

He admitted that Chancellor's position would be shaken but said he could carry the agreement through. *Times* correspondent who has just been to see me thinks it will lead to his fall and is beginning of the end. He had got hold of the news of Seyss's appointment to this key position but I begged him not to allow it to appear in the *Times*. I feel very strongly that we should leave it to the Austrian Government to announce in their own way, and in any case I gather it is not absolutely certain and he may eventually be appointed only Minister of Interior without control of police.

I asked what Austria had got in return. State Secretary replied that Herr Hitler undertook to recognise Austrian Constitution, to suppress illegal propaganda in Austria and to disband Austrian Legion. He said that Herr von Papen and Herr von Ribbentrop had both been very helpful particularly the former and he had had very favourable impression of the latter.

I gather that both the invitation to the meeting and the meeting itself were threatening in character and that the Chancellor could not either refuse to go or refuse all Herr Hitler's demands. This would, State Secretary said, have meant an attack on Austria in Hitler's next speech and revert to a worse state of things than before joint agreement. As it is he believes the present arrangement unsatisfactory though the Chancellor admits it will tide over a critical time and lead to smoother water.

State Secretary particularly asks that the above information (which he gave me in the name of the Chancellor) may not go beyond the Foreign Office and might not be repeated to Berlin. He expects official *communiqué* to appear within the next forty-eight hours.

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[1] No. 513.

[2] i.e. February 14.

[3] See No. 506, note 3.

State Secretary promises me further information later. His optimism is decidedly shattered and he admits the critical nature of the situation. He remarked of course that England and France would do nothing to save Austria and that Italy could do no more than show displeasure at any German move. 'In any case' he said 'Austria cannot be saved by foreign bayonets'.

Despatch by bag.

No. 517

Mr. Palairet (Vienna) to Mr. Eden (Received February 15, 10.20 a.m.)

No. 18 Telegraphic: by telephone [*R 1299/137/3*]

Immediate VIENNA, *February 15, 1938*

My telegram No. 16.[1]

I saw the Chancellor at the party.[2] He told me that he was not alarmed and that he felt that breathing space had been secured. He had been met by threats but had yielded the minimum. Herr Hitler had told him that Lord Halifax had completely approved of Germany's attitude towards Austria and Czechoslovakia.[3] I said that this was not true. The Chancellor said that it would be of the greatest value if the Powers could intimate at Berlin that they considered Austria had now gone to the limits of conciliation and that they desired peace and quiet in Central Europe. Dr. Schuschnigg is convinced, so State Secretary told me, that absorption of Austria by Germany must lead to war.

Political Director[4] whom I also saw told me that he had done his best to prevent the meeting. He did not regard the actual terms of the agreement as very dangerous because they could be rendered more or less harmless in practice but he was very apprehensive of the general effect on the agreement on public opinion here.[5]

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[1] No. 516.

[2] Dr. Schuschnigg held a reception and ball for the Diplomatic Corps on February 14.

[3] Mr. Strang on February 18 (C 1324/42/18) called Lord Halifax's attention to this statement; he also referred to telegram No. 20 of February 15 from Mr. Palairet (No. 520 below) suggesting 'that we should warn Herr Hitler that he must not quote H.M.G., in the person of Lord Halifax, as approving of his designs on Austria'. In a minute replying to this suggestion, Lord Halifax wrote: 'We clearly have every right to make our position plain—provided Schuschnigg agrees—& will stick to his guns about having said it. I obviously couldn't approve Germany's attitude when I did not know what it was. But if the matter is taken up, I hope it may be so handled as not to prejudice the other side of our policy—i.e. the broad question of getting onto closer terms with the gangsters. H. 19/2.' After further discussion in the Foreign Office, Mr. Strang noted on March 5: 'No action was taken on this.'

[4] Dr. Hornbostel.

[5] Telegrams Nos. 16 and 18 from Vienna (Nos. 516 and 517) were considered at a meeting at midday on February 15, in the Secretary of State's room. The importance of the document mentioned in telegram No. 16 was recognized, and it was agreed that 'the crux of the situation

was the proposed appointment of Seyss Inquart to a post in which he could control the police'. A telegram on the point was drafted, and taken by Mr. Eden to the Prime Minister for his approval. 'At the same time it was felt that we should not put ourselves into the position of making suggestions which, if accepted or rejected, produced a major crisis of which we could be accused of being the authors.' After approval by Mr. Eden and Mr. Chamberlain the telegram was despatched as No. 5 of February 15 to Vienna (see No. 518 below).

No. 518

Mr. Eden to Mr. Palairet (Vienna)

No. 5 Telegraphic [*R 1299/137/3*]

Most Immediate FOREIGN OFFICE, *February 15, 1938, 1.40 p.m.*

Your telegrams Nos. 16[1] and 18.[2]

I had also shared your apprehensions regarding this meeting and the information contained in your telegrams under reference confirms my fears. The most disturbing element in the situation appears to be the intention to appoint Seyss Inquart as head of Public Security. I wonder whether a compromise might not be devised on the lines suggested in this morning's *Times*,[3] whereby Seyss Inquart should become Minister of Interior but police administration be organised as a separate entity. Such a solution would, I presume, lessen the danger. Can you ascertain from the Chancellor whether there is any chance of its now being adopted? Should you see no objection, you may inform the Chancellor that we are making enquiries in Berlin and showing there our interest in the events in Austria.

Repeated to Paris No. 26.

[1] No. 516.

[2] No. 517.

[3] See *The Times*, February 15, 1938, p. 14.

No. 519

Mr. Eden to Sir N. Henderson (Berlin)

No. 21 Telegraphic: by telephone [*C 1079/42/18*]

Most Immediate FOREIGN OFFICE, *February 15, 1938, 1.55 p.m.*

My telegram No. 20.[1]

In view of uncertainty as to present position as between Germany and Austria, I wish to supplement as follows the instructions contained in my telegram under reference.

You should see Herr von Ribbentrop as soon as possible to-day and in carrying out the instructions contained in my telegram No. 20, you should also speak on the following lines.

You should say that we have heard a number of rumours about what passed at the meeting between Herr Hitler and the Austrian Chancellor at Berchtesgaden. As the German Government are aware, His Majesty's Government take an interest in events in Austria and would be grateful for any information which the German Government could give them about this meeting.

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[1] No. 514.

You should add that among the subjects in the communication which you have been instructed to deliver to the German Chancellor the Austrian question is mentioned.

You should also speak on similar lines to Herr Hitler when you see him this evening.[2]

[2] A minute by Mr. Strang said that this 'was drafted at a meeting in the S. of S's room yesterday. W. Strang. 16/2.' Cf. No. 517, note 4.

No. 520

Mr. Palairet (Vienna) to Mr. Eden (Received February 15, 2.50 p.m.)

No. 20 Telegraphic: by telephone [*C 1324/42/18*]

VIENNA, *February 15, 1938*

My telegram No. 18.[1]

French Minister[2] has just been to see me. According to his information Austrian Government have decided to accept agreement: their reply had to be given by this evening. They have really no alternative: French Minister observed that it was throughout impossible for him to urge President to refuse since France had nothing to offer Austria. Dr. Schuschnigg told French Minister that the day at Berchtesgaden was worst in his life; Herr Hitler had talked like a madman and had openly declared his intention of absorbing Austria. Dr. Schuschnigg said he could not have believed a responsible European statesman could be so unscrupulous and so violent.

There seems therefore no longer much doubt that Seyss-Inquart will be Minister of Public Security but exact method of including National Socialists in Patriotic Front is apparently not yet settled. French Minister has heard that Legitimist activities may be suppressed in order that extreme Nazis may receive same treatment. It seems that Dr. Schuschnigg has complete confidence in Seyss-Inquart but German insistence on his appointment seems to show that he is really Nazi as we learn from other sources. In any case Dr. Schuschnigg's situation must be very seriously shaken since he cannot wholly rely on whole-hearted support of any section of Austrians but it is extremely unlikely that he will resign.

French Minister has intimated to his Government desirability of countering this German successful bluff by some move in conjunction with Italy to show importance to the three governments of Austrian independence. Apart from this very problematical idea would you consider warning Herr Hitler that he must not misquote His Majesty's Government (in person of Lord Halifax) as approving of his designs on Austria?[3] I should of course first have to obtain Dr. Schuschnigg's consent to your repeating what Herr Hitler said to him.

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[1] No. 517.

[2] M. Puaux: a number of his reports on the crisis are printed in *D.D.F.*, *op. cit.*, Nos. 159–62.

I do not think we need expect any dramatic developments in immediate future but process of swallowing will undoubtedly continue if we do nothing to arrest it and Berchtesgaden tactics can be renewed at any moment. I regret to have no time to send promised despatch by today's bag but it would in any case have little value in present situation and I trust my telegrams have kept you sufficiently informed.

I am seeing State Secretary at lunch and will telegraph again this afternoon.

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[3] See No. 517, note 3.

No. 521

Sir N. Henderson (Berlin) to Mr. Eden (Received February 15, 6.30 p.m.)

No. 38 Telegraphic: by telephone [*C 1080/42/18*]

Immediate BERLIN, *February 15, 1938*

Your telegrams Nos. 20[1] and 21.[2]

I saw Minister for Foreign Affairs this afternoon and gave him both messages. His Excellency told me that he would mention to the Chancellor that I wished for an interview and that the latter would probably inform me at dinner tonight when he could see me.

As regards Austria Herr von Ribbentrop said that the 1936 Agreement[3] had been discussed in all its aspects and that the German Government was expecting an early reply to the various suggestions regarding amnesty and other points which Dr. Schuschnigg had wished to reserve for settlement in Vienna. Herr von Ribbentrop assured me that he had every hope that the upshot of the negotiations would be . . .[4] of appeasement. He could not say anything more definite until reply had been received from Vienna but that he expected to be able to tell me more in the course of the next day or so.

I asked if it was true that Herr Seyss-Inquart would enter the Austrian Government. Herr von Ribbentrop while giving me no definite reply spoke highly of him.

I gathered that Herr Hitler had made it clear that the 1936 Agreement was proving impracticable and that something had got to be done to put Austro-German relations on a better footing.

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[1] No. 514.

[2] No. 519.

[3] See Volume XVI, No. 436, note 4.

[4] The text was here uncertain.

No. 522

Mr. Palairet (Vienna) to Mr. Eden (Received February 15, 7.50 p.m.)

No. 22 Telegraphic: by telephone [*R 1358/137/3*]

Immediate VIENNA, *February 15, 1938*

I have just communicated to the Chancellor the sense of your telegram No. 5.[1] He said your interest in Austrian situation and your action at Berlin is great encouragement to him for which he is deeply grateful. He cannot however go back on his decision to accept Seyss-Inquart as Minister of Public Security. It was the lesser evil (the alternative being to have a rupture with Germany with all its consequences) and he had complete confidence in Seyss-Inquart who had made to him and was ready to publish most formal declarations of his devotion to Austrian independence. One of the objects of the present terms was to eliminate extreme Nazis now disavowed by Berlin and to bring in moderates of whom Seyss-Inquart was one. It was admittedly taking a risk but he had to take it. It would have been different if he could have counted on active English support against Germany but as it was he could not resist pressure from Austria's overwhelming powerful neighbours.

The experiment could however he firmly declared not be repeated and if it failed it would seal the fate not only of Vienna but of Prague and he thought of Budapest too.

He said Government of Austria was in his and nobody else's hands and declared most decidedly that he was an optimist with regard to the immediate future. He was not in the least alarmed by reports of German troop movements near Bavarian frontier which he believed were taking place.[2]

It would he said be of the greatest help to him if you could speak firmly in Berlin of His Majesty's Government's interest in seeing Austria's independence preserved as a guarantee of peace: and State Secretary who was present at the interview asked whether English press could not emphasize the value of Doctor Schuschnigg's efforts to live at peace with Germany and the desirability of Germany allowing him to do so. Doctor Schuschnigg deserves all the support we can give him. He has as yet no information of Italian reactions to Herr Hitler's latest move but observed it could not be welcome to Signor Mussolini.[3]

Acceptance of agreement will be communicated to Herr Hitler tonight.

I asked the Chancellor why Herr Hitler attached such importance to conditions of Seyss-Inquart's appointment if he were not a convinced Nazi. He replied that Herr Hitler did not know Seyss-Inquart and was mistaken in his estimate of him. Like the State Secretary the Chancellor laid stress on his being a practising Catholic.[4]

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[1] No. 518.

[2] Cf. *D.G.F.P.*, *op. cit.*, 'Editor's note' on p. 520.

[3] Cf., however, *Ciano's Diary*, *op. cit.*, pp. 73 and 75.

[4] Cabinet Conclusions 5(38) of the Cabinet meeting on February 16 end with the following passage, after an account by Mr. Eden of developments in the Austrian situation since

February 7. 'In order to bring the Cabinet up to date, he read Vienna telegram No. 22 containing an account of a talk that the British Minister had had with the Austrian Chancellor.

The Lord President of the Council [Lord Halifax] recalled that his general impression as the result of his interview with Herr Hitler had been that the Führer would continue his activities in regard to Austria, but in a manner which did not enable any other country to interfere. This appeared to be what was happening.

The Prime Minister thought that Herr Hitler wanted peace but at his own price.

The Secretary of State for Foreign Affairs said he did not want any decision from the Cabinet at the moment. He would have to watch the situation very carefully and he would keep in close contact with the Prime Minister. He did not want to put himself in a position of suggesting a resistance which he could not, in fact, furnish. The most interesting reaction to watch for was that of Italy.'

No. 523

Sir E. Phipps (Paris) to Mr. Eden (Received February 15, 8 p.m.)

No. 54 Telegraphic: by telephone [*R 1360/137/3*]

Immediate PARIS, *February 15, 1938*

My immediately preceding telegram.[1]

Monsieur Delbos has just informed me that French Minister [at] Vienna learns from Austrian Chancellor that Signor Mussolini has advised him to yield to Herr Hitler's demands and that decision in that sense will probably be taken tonight by Austrian Cabinet.

Dr. Schuschnigg said that he had never in his life had such a terrible interview. Herr Hitler's violence was incredible. It had been the worst day of his life, not excluding the day of Dr. Dol[l]fuss's assassination.[2]

Monsieur Delbos thinks nevertheless that some *démarche* at Berlin on the line sketched in my telegram under reference would be advisable.[3]

Repeated to Berlin, Rome and Vienna.

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[1] In this telegram of even date, received in the Foreign Office by telephone at 7.40 p.m., Sir E. Phipps reported that M. Delbos had stated that the French Government 'strongly favour making some communication to German Government showing interest that British and French Governments take in events in Austria and in the maintenance of peace and tranquillity in Central Europe'. The French Government were agreeable to the communication being made either separately or jointly by the two powers.

[2] See Volume VI, No. 528.

[3] See *D.D.F. op. cit.*, No. 159. The French Ambassador in London, M. Corbin, on instructions from M. Delbos, communicated to Mr. Eden on February 15 details of the information received from the French Minister at Vienna: *ibid.*, No. 165.

No. 524

Sir R. Lindsay (Washington) to Mr. Eden (Received February 16, 9.30 a.m.)

No. 120 Telegraphic [*A 2127/64/45*]

Important Very Secret WASHINGTON, *February 15, 1938, 11.50 p.m.*

More than once His Majesty's Government have been invited to suggest amendments of any kind to the President's plan[1] but hitherto they have not felt able to make any proposal of substance.

2. It seems to me that paragraphs 1 to 5 of plan are unexceptional if we look on paragraph 5 as a general statement of objectives.

3. I surmise that your own hesitations arise in regard to proposed Conference dealt with in paragraphs 6 and 7. The legitimate criticism of this is that such a Conference might well fail to influence, to any material degree, the course of conversations between the Great Powers now about to begin. It might degenerate into something resembling those Geneva meetings which are so familiar to all and which end merely with the registration of a number of pious resolutions. Such an outcome might have the unfortunate result of convincing the many people in America who now think otherwise that United States Government is impotent to lend any help to the rest of the world. Such an impression is of course erroneous. The influence which United States will always exercise whenever it evinces a strong interest in world affairs is immense.

4. At present the danger to peace lies in prevailing condition of acute tension and to relieve this tension is the first aim of the proposed conversations. The most valuable help United States could give would be to exercise its moral influence in the first place and explicitly towards promoting encouraging and even guiding those conversations between other Powers great or small. A Conference to confirm and consolidate results of conversations would almost certainly be necessary, but in point of time certainly would have to take a second place after conversations.

5. It might therefore be suggested that if President were to make an announcement in any form and at any time that might seem suitable he might consider whether it would not be more practical to put Conference somewhat into the background and to bring up into the foreground the need for alleviating the present acute tension by negotiation between the States directly concerned. He might proclaim the keen concern of his Government in success of conversations already initiated and their anxiety to see commencing without delay such other conversations as may be necessary. He might indicate his own willingness to assist them through diplomatic channels and his desire to be kept informed of their progress so as to be in a position to decide whether the time had come to make further proposals or representations.

6. I wonder whether the foregoing would appeal to you as likely to be helpful. If it did I should see no reason why I should not put it forward to Under Secretary of State for Foreign Affairs.

7. I should in that case naturally have to say that if this amendment did not appeal to the President and if he preferred his original plan our support of plan would be given entirely as already promised.

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[1] See Nos. 422 and 423. In his telegram No. 114 of February 9 Sir R. Lindsay had reported a statement by Mr. Sumner Welles that day that 'in view of events in Germany President had decided to postpone proceeding with his plan for time being'. But the postponement was to be 'for a matter of days and not of weeks'.

8. I have no certainty that it would appeal to him, but it is quite possible that it would. I dare say it would cause an outcry in America but in my opinion less than his own plan which involves an immediate Conference. It is to be noted that it is entirely within the four corners of his constitutional authority, which gives him complete control of diplomatic machinery and activity. Also it is neutral in character and disinterested as towards ourselves. In so far as it encourages him to address stimulative communications to negotiating Governments we expose ourselves to receiving such representations, for in the last few months Italians might have complained that we were being dilatory about conversations and in our future discussions with German Government we may well expect to be pressed by United States Government to wide economic concessions which we shall be prepared to offer in regard to raw materials.

9. The help we should be inviting the United States Government to lend would be of a purely diplomatic character and without any commitments on their part. Nevertheless it would be of great value towards appeasement owing to the great moral influence which United States exercises through her great material strength.

10. If I were to put the foregoing to United States Government it would have to be couched in general terms and State Department would have to fill in the details but I should like to mention to State Department the criticism of the Conference in plan (paragraph 3 above) if it is in accordance with your views.

11. For you the criterion is whether you prefer amendment now suggested or original plan. If you prefer the former I do not see why I should not propose it.

12. Please note that I ought to have instructions by Saturday February 19th at the latest. After Herr Hitler's speech so far as I know the President might launch his plan at very short notice.[2]

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[2] A note by Mr. Chamberlain on the copy of this telegram preserved in PREM 1/259 read: 'No doubt the S.S. will consult me about the reply. N.C.'

No. 525

Sir N. Henderson (Berlin) to Mr. Eden (Received February 16, 12.30 a.m.)

No. 39 Telegraphic: by telephone [*C 1081/42/18*]

Immediate BERLIN, *February 16, 1938*

My immediately preceding telegram.[1]

I asked Chancellor after dinner tonight whether he would see me with a view to delivering message from His Majesty's Government arising out of Halifax visit.

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[1] No. 521.

He said he would be very pleased to receive me and would let me know later when.

Subsequently Baron von Neurath told me he thought it would be impossible for Chancellor to see me before February 20th but I think it will quite possibly be before that date.

No. 526

Sir N. Henderson (Berlin) to Mr. Eden (Received February 16, 12.45 a.m.)

No. 40 Telegraphic: by telephone [*R 1372/137/3*]

BERLIN, *February 16, 1938*

My telegram No. 38.[1]

Official *communiqué* is being given to press tonight in regard to Austrian negotiations.[2] Just before Chancellor's dinner telegram was, I understand, received from Herr von Papen according to which Austrian Government seem to have agreed to all arrangements proposed at Berchtesgaden together with inclusion of Seyss-Inquart in Cabinet.

After dinner Baron von Neurath came up to me and reproached His Majesty's Government with having done their best to upset arrangement by advising Austrian Government not to sign it.[3] I had he said continually warned him against use of force and he had in accordance with that advice worked his hardest to achieve peaceful and friendly solution and yet when peaceful methods were employed we did our best to thwart German Government.

Our conversation was interrupted by message that Chancellor wished to speak to me. He used similar but more temperate language in the same sense. Bad relations between Germany and Austria could he said not be allowed to continue: he had done his best to settle matter amicably and he could not understand Great Britain's attitude. I told His Excellency that I was unaware of arrangement agreed upon at Berchtesgaden but that unless it was such as to affect independence of Austria it seemed to me most unlikely His Majesty's Government had in fact put any pressure on Austria in the matter. Great Britain was, as he knew well, interested in events in Austria and would be the last to hinder peaceful and satisfactory solution of continued state of tension in Central Europe. Herr Hitler said he hoped that this was so and that outcome had proved that it was useless for other countries to intervene in affairs of two German States.

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[1] No. 521.

[2] See No. 506, note 3.

[3] In a telegram of February 14 from Vienna (*D.G.F.P.*, *op. cit.*, No. 297) Herr von Papen reported to Berlin: 'It appears that France, in particular, but England also, are making very strong representations at the *Ballhausplatz*, warning against too far-reaching concessions to us.' A copy of Sir N. Henderson's telegram No. 40 was seen by Mr. Chamberlain, who commented on the second paragraph: 'It would seem a pity that this impression should be in the German mind when in fact it isn't true. I hope we shall leave them in no doubt of our *indignation* over their false accusation!' Mr. Eden commented: 'A good way to handle it.' See No. 535 below.

No. 527

Sir R. Lindsay (Washington) to Mr. Eden (Received February 16, 5.30 p.m.)

No. 121 Telegraphic [*A 2127/64/45*]

Immediate Very Secret WASHINGTON, *February 16, 1938, 10 a.m.*

My telegram No. 120 last paragraph.[1]

Under Secretary of State for Foreign Affairs told me last night that the President intends to leave Washington February 18th for his country place near New York and stay there over the holidays till February 23rd. His present purpose is to launch his plan substantially in its present form very soon after his return here irrespective of what Herr Hitler may say on February 20th.

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[1] No. 524.

No. 528

Sir N. Henderson (Berlin) to Mr. Eden (Received February 16, 11.10 a.m.)

No. 41 Telegraphic: by telephone [*R 1376/137/3*]

BERLIN, *February 16, 1938*

My immediately preceding telegram.[1]

It was clear from the language used to me last night by the Chancellor and Baron von Neurath, in regard to alleged British pressure to upset Berchtesgaden arrangement with Austria, that both, honestly or dishonestly according to point of view, regarded it as a peaceful solution reached in opposition to their own extremists and with the object of smoothing things over in Central Europe before negotiating with Great Britain.

My own comments as regards their own undue pressure on Austria only provoked retort that that was at least better than a crisis entailing bloodshed, and that presumably His Majesty's Government did not desire the latter consummation.

If, as I understand, Austrian Cabinet at Italian advice has given in, I would deprecate further action at Berlin such as indicated in Paris telegram 55.[2] No object would be served thereby, unless we are prepared to reinforce firm language by actual action. However strong a line Herr Hitler may have taken at Berchtesgaden, he will be able (vide joint communication published at Berlin and Vienna this morning)[3] to point to 'tranquillizing' result achieved.

Repeated to Paris and Vienna.

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[1] No. 526.

[2] See No. 537, note 1 below.

[3] See No. 506, note 3.

No. 529

Sir N. Henderson (Berlin) to Mr. Eden (Received February 16, 12.15 p.m.)

No. 43 Telegraphic: by telephone [*C 1095/42/18*]

BERLIN, *February 16, 1938*

Your telegram No. 20.[1]

I made no reference last night to Chancellor's speech on February 20th. In view of my own representations about Austria and Herr Hitler's remonstrances over alleged British action at Vienna any mention to [*sic*] his speech would clearly have been ill-received.

Herr Hitler's view of our attitude towards Berchtesgaden arrangement will I fear have undoubted prejudicial effect on conversation which I am to have with Herr Hitler in accordance with instructions contained in your despatch No. 164 Secret.[2] As I had already told Herr von Ribbentrop that I was asking for a special interview with the Chancellor, I felt it was in some respects [? difficult] for me not to do so when I saw His Excellency last night, yet in the circumstances I should have preferred to refer back to you for instructions on this point.

Nevertheless though the present atmosphere is not what might altogether be wished, I have asked for interview and I am of opinion it would be undesirable now to postpone it. As soon as I learn when it is to take place I shall notify you. I would suggest however in view of representations I have already made that when referring to German collaboration in appeasement (see your despatch above-mentioned) I should mention Central Europe rather than Austria by name. Reference to the latter will merely give Herr Hitler an opportunity for asserting that his last move was in direction of appeasement, a standpoint from which in view of Austrian acquiescence enforced or otherwise, I would find it difficult to move him.

I am still unaware whether Herr von Ribbentrop intends to present his own letters of recall.

[1] No. 514.

[2] No. 512.

No. 530

Mr. Palairet (Vienna) to Mr. Eden (Received February 16, 12.45 p.m.)

No. 24 Telegraphic [*R 1381/137/3*]

VIENNA, *February 16, 1938, 12.30 p.m.*

My telegram No. 22.[1]

French Minister tells me that the message was received from Rome last night by the Chancellor after my visit. Signor Mussolini approved Dr. Schuschnigg's action in making the concessions which he felt obliged to make.

[1] No. 522.

Political Director had wished to ask Signor Mussolini outright whether he wished Austria to yield to German blackmail ('Erpressung' is the word used by Dr. Schuschnigg to the French Minister) or not, but the question was not put in this form. The French Minister considers that the Minister for Foreign Affairs has played a very sorry rôle in the recent events.

French Minister thinks that your instructions to me[2] had important effect on the formation of the Cabinet. Up to the last moment the German Minister was pressing for the appointment of Glaise Horstenau as the Vice Chancellor but the appointment of Seyss-Inquart has been the one and only concession.[3]

Repeated to Rome without the last paragraph.

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[2] See No. 518.

[3] A minute by Mr. Ingram was as follows. 'The second para[graph] is noteworthy. If this is the current rumour in Vienna it is not to be wondered at that it should have percolated to Berlin & produced the reaction alluded to in Berlin tel. No. 41 [No. 528]. E. M. B. Ingram. 16/2.'

No. 531

Mr. Palairet (Vienna) to Mr. Eden (Received February 16, 8 p.m.)

No. 26 Telegraphic [*R 1415/137/3*]

VIENNA, *February 16, 1938, 7.50 p.m.*

After reading Berlin telegram No. 40[1] I can only suppose that Austrian Minister for Foreign Affairs must have informed German Minister of my conversation with Chancellor and at the same time misrepresented its tenour.[2] I kept strictly to the terms of your instructions which could not possibly be interpreted as advice not to sign agreement.

But perhaps it does no harm that German Government should think so. 'Peaceful methods' is a surprising description of recent meeting.

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[1] No. 526.

[2] See No. 522.

No. 532

The Earl of Perth (Rome) to Mr. Eden (Received February 16, 9.30 p.m.)

No. 69 Telegraphic [*W 2238/83/41*]

ROME, *February 16, 1938, 8.30 p.m.*

I had short informal talk last night[1] with Count Ciano.

He said that he had received account from Count Grandi of his conversations with you.[2] He indicated that Ambassador had reported that you might prefer conversations to take place in London but that he felt strongly that Rome should be the venue in accordance with what had been originally proposed. I replied that it seemed to me quite natural that questions relating to Spain should be discussed in London and on this point Minister for Foreign Affairs concurred. He remarked that he did not wish Spanish problems to be dealt with in Rome. London was the proper place since it was the seat of non-intervention committee and he had no wish or intention of taking the matter out of their hands. But propaganda and subject of Mediterranean had also formed part of your talk with Count Grandi. I observed that I thought that if we could clear up propaganda difficulties the way towards conversations would be easier.

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[1] i.e. February 15.

[2] It would appear from Count Ciano's *Diary, op. cit.*, p. 75, that he had also seen a copy of Mr. Eden's despatch to Lord Perth recording his conversation with Count Grandi (No. 505). Count Ciano commented: '. . . it is interesting to note that Eden's report of his conversation with Grandi is very different from that drawn up by Grandi, in that Eden makes us responsible for some part of the initiative. I shall not send Grandi a copy of the document, as it is not altogether clear what his game is.' Cf. Volume XVIII, No. 262, note 3.

Reverting to Spain Minister for Foreign Affairs said that he was in touch with General Franco's Government and German Government and had sent certain preliminary instructions to Count Grandi. He believed that with good will it ought to be possible to settle question of what constituted a substantial withdrawal of volunteers on which grant of belligerent rights depended.

He remarked that proposal by Soviet Government of 85 per cent was a purely wrecking move.[3] It was as if he had proposed 15 per cent and, had he done so, it would certainly have been held that he did not in fact desire agreement. This was by no means the case.

Minister for Foreign Affairs added that although no great progress had yet been made about start of conversations he felt something was stirring and this in itself was a favourable sign.

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[3] Cf. Maisky, *Spanish Notebooks, op. cit.*, pp. 172–3.

No. 533

Mr. Eden to Sir N. Henderson (Berlin)

No. 30 Telegraphic [*C 1095/42/18*]

FOREIGN OFFICE, *February 16, 1938, 9.25 p.m.*

Your telegram No. 43.[1]

When acting on paragraph 3 of my despatch No. 164[2] you should maintain the reference to Austria by name, and reference should take following form.

You should say that our plan of appeasement was based, among other things, on the assumption that measures would be taken to inspire confidence in Austria and Czechoslovakia, and to establish better relations between those countries and Germany. You should add that His Majesty's Government at present cannot estimate the effect of the recent agreement between Germany and Austria, though they have the impression that what has happened does detract from the independence of Austria, and they are therefore at present doubtful as to the effect which this agreement is likely to have on the situation in Central Europe.

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[1] No. 529.

[2] No. 512.

It is possible that this my produce some useful explanation from the Chancellor or a clarification of his intentions.

No. 534

Mr. Eden to Sir E. Phipps (Paris)

No. 28[1] *Telegraphic* [*R 1372/137/3*]

Immediate FOREIGN OFFICE, *February 16, 1938, 10 p.m.*

Your telegrams Nos. 53[2] and 54.[3]

I am extremely doubtful of the wisdom of any separate or joint communication to the German Government by the British and French Ambassadors in Berlin of the kind suggested by M. Delbos. You will see from my telegram No. 32 Saving[4] the enquiry we have made in Berlin and the result of that enquiry. That is as far as our action has gone up to the present.

You should, however, now tell M. Delbos that His Majesty's Ambassador at Berlin, when he left London, was authorized to inform the German Chancellor that His Majesty's Government were considering what steps might be taken to bring about a measure of appeasement which would include *inter alia* Austria.[5] He will probably do so within the next few days. He is now being instructed to convey a hint at the same time that His Majesty's Government are doubtful as to the effect on the situation in Central Europe of what has recently happened as regards Austria.[6] You should add that I am disposed to think that, though it is of course now almost certainly too late to undo what has been done, such a hint from H.M. Ambassador might produce some useful explanation from the Chancellor or clarification of his intentions. Meanwhile we do not intend ourselves to go further than this, and we should deprecate any Anglo-French warning or protest in Berlin.

You will of course await further instructions before acting on my telegram No. 28 Saving.[7]

[1] Repeated to Berlin, No. 31, and Vienna, No. 7.
[2] See No. 523, note 1.
[3] No. 523.
[4] No. 537 below.
[5] See No. 512.
[6] See No. 533.
[7] No. 515.

No. 535

Mr. Eden to Sir N. Henderson (Berlin)

No. 32 Telegraphic [*R 1372/137/3*]

FOREIGN OFFICE, *February 16, 1938, 10.20 p.m.*

Your telegram No. 40.[1]

You should take immediate steps to controvert the accusation made by

[1] No. 526.

Herr Hitler and Baron von Neurath that His Majesty's Government have done their best to upset the Austro-German Agreement by advising the Austrian Government not to sign it.

There is no justification whatever for this charge; and you should let both Herr Hitler and Baron von Neurath know that His Majesty's Government are astonished that it should have been made. His Majesty's Government have in face done nothing to prevent the agreement from being concluded. They have indeed frequently shown their interest in Austrian affairs, as they have a perfect right to do. It is natural, therefore, that they should make enquiries as to what has passed, and this they have done, both in Berlin and in Vienna.

For your own information only. The only action we have taken in Vienna is described in instructions sent to His Majesty's Minister in my telegram No. 5[2] which has been repeated to you.

Repeated to Paris No. 29 and Vienna No. 8.

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[2] No. 518.

No. 536

Sir N. Henderson (Berlin) to Mr. Eden (Received February 16, 11 p.m.)

No. 44 Telegraphic: by telephone [*C 1119/42/18*]

BERLIN, *February 16, 1938*

I saw Field Marshal Goering this evening and mentioned to him that I had asked the Chancellor to receive me with a view to carrying on Halifax conversations a step further. General Goering said that he had just been with Herr Hitler and that he expected the latter would see me tomorrow.

I mentioned to the Field Marshal that the Chancellor had attacked me yesterday over the alleged British attitude at Vienna and that probably as a result of recent hysteria[1] of the British press and Radio news for which the German press censorship system was chiefly responsible, the atmosphere would I feared not be so favourable as I could have wished. If so it would be a pity since I particularly wished to ascertain from the Chancellor how great a measure of reciprocity Germany would be ready to show in the event of His Majesty's Government being willing for their part to demonstrate goodwill.

Field Marshal Goering, who is perhaps the most ardent partisan of Anglo-German understanding,—naturally on Germany's own terms—that I have met in this country, replied at once that Germany would give every imaginable guarantee except to renounce ultimate union between Austria and Germany. That neither Herr Hitler nor any man in Germany could ever agree even if we offered the whole of Africa in exchange, but apart from that everything was possible and he was convinced that I would find Herr Hitler fully prepared to meet us more than half way. Once we became friends and a new spirit was introduced into our relations, we would find what a loyal ally Germany could be.

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[1] In the course of a minute of February 18 Mr. Strang remarked that 'hysteria' in paragraph 2 appeared to be Sir N. Henderson's own word. 'This is rather a pity.'

Apart from violent language about attitude of British press the Field Marshal was exceedingly well disposed and I took the opportunity of reference to the Chancellor's speech, to observe, speaking quite personally I hoped that Herr Hitler would refrain from upsetting public opinion in England by laying too much stress on the Colonial question. I added that it might be helpful also if he repeated his previously expressed desire for humanization of war more particularly in the direction of abolition of bombing aeroplanes. Field Marshal Goering did not dissent merely remarking that his . . .[2] condition that all countries were ready to agree to this.

I think there is no doubt that Field Marshal Goering at the present moment is the Chancellor's principal confidant.

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[2] The text was here uncertain.

No. 537

Mr. Eden to Sir E. Phipps (Paris)

No. 32 Saving: Telegraphic [*R 1375/137/3*]

FOREIGN OFFICE, *February 16, 1938*

Your telegram No. 55.[1]

I instructed Sir N. Henderson yesterday[2] to see Herr von Ribbentrop as soon as possible that day and say that we had heard a number of rumours about what passed at the meeting between Herr Hitler and the Austrian Chancellor at Berchtesgaden. He was to say that, as the German Government are aware, His Majesty's Government take an interest in events in Austria and would be grateful for any information which the German Government could give them about this meeting.

Sir N. Henderson was also instructed to speak on similar lines to Herr Hitler if he should see him yesterday evening.

You will see that no instructions have been given for Sir N. Henderson to make any representations to the German Government.

Sir N. Henderson spoke yesterday to Herr von Ribbentrop who informed him that the 1936 Agreement had been discussed in all its aspects at the Berchtesgaden meeting. He assured Sir N. Henderson that he had every hope that the upshot of the negotiations would be an extension of appeasement. He added he could say nothing more definite till a reply had been received from Vienna. The nature of that reply will by now be familiar to you from this morning's press.

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[1] In this telegram of February 16, telephoned to the Foreign Office at 12.13 p.m. Sir E. Phipps stated that M. Delbos had told him that M. François-Poncet had reported that Sir N. Henderson had already made a *démarche* with the German Government on the subject of Austria, and that the French Ambassador had been instructed to take similar action.

[2] See No. 519.

You will have seen from Berlin telegrams Nos. 40[3] and 41[4] the reactions of Baron Neurath and the Chancellor.

Repeated to Vienna No. 3 Saving and Berlin No. 7 Saving.

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[3] No. 526.

[4] No. 528.

No. 538

The Earl of Perth (Rome) to Mr. Eden (Received February 17, 12.45 p.m.)

No. 73 Telegraphic [*R 1441/23/22*]

ROME, *February 17, 1938, 12.35 p.m.*

. . .[1] last night that he had just written a long letter to Signor Grandi instructing him to urge earnestly on you that an early start should be made with Anglo-Italian conversations in view of possibility of certain future happenings.[2]

I tried to draw Minister for Foreign Affairs on the meaning of this phrase but he was studiously vague; perhaps you may be able to extract more from the Ambassador.

I think, however, that recent events in Austria have given Italian Government a nasty jolt and that they are anxious about future.

When I turned the conversation to Austria Italian Minister for Foreign Affairs observed that he thought Dr. Schuschnigg had done well but he was obviously ill at ease and did not wish to discuss subject.

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[1] The text was here uncertain. 'Count Ciano told me' was suggested on the filed copy.

[2] This is evidently the letter of February 16 printed on pp. 161–2 of *Ciano's Diplomatic Papers*. In it Count Ciano referred to the Duce's belief that the negotiations, to be effective, must be launched before the final stage of the Nazi offensive against Austria. 'Today . . . if negotiations are begun, no one can talk in any way of pressure at the gates or of water about to close over our heads. But tomorrow, should the Anschluss be an accomplished fact, should Greater Germany by then press on our frontiers with the weight of its whole seventy million, then it would become increasingly difficult for us to reach an agreement or even talk with the English, since it would be impossible to prevent the entire world interpreting our policy of *rapprochement* with London as a journey to Canossa under German pressure.'

No. 539

Sir N. Henderson (Berlin) to Mr. Eden (Received February 17, 3.45 p.m.)

No. 46 Telegraphic: by telephone [*R 1458/137/3*]

Immediate BERLIN, *February 17, 1938*

Your telegram No. 32.[1]

Language which you instruct me to use would to some extent weaken attitude which I have been adopting here and which has been to the effect that Austrian Independence being integral part of Peace Treaties we have every right to interest ourselves in Austrian affairs and to recommend to the latter Government any course which we regard as calculated to safeguard that independence which we naturally object to seeing infringed without consulting us.

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[1] No. 535.

I should like to maintain this attitude which entails more than a mere 'admission of consulting' as indicated in your telegram under reply. For one thing I have no doubt whatsoever that German Government are fully aware of action taken by His Majesty's Minister under instructions sent in your telegram No. 5.[2] Dr. Schmidt has I am convinced a footing in both camps and German Government will have learned facts from him quite apart from other sources at their disposal. Our objection to Seyss-Inquart being given control of police was in accordance with attitude as defined in paragraph 1.

I should like your authority to say so to Baron von Neurath if only for reason that I am sure he knows it already.

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[2] No. 518.

No. 540

Mr Palairet (Vienna) to Mr. Eden (Received February 17, 5 p.m.)

No. 27 Telegraphic [*R 1482/137/3*]

VIENNA, *February 17, 1938, 4.50 p.m.*

Your telegram No. 28[1] [to Paris].

Do not circumstances justify use of stiffer language to Herr Hitler than the hint which His Majesty's Ambassador in Berlin is being authorised to convey to him?

Austria has been faced with blackmail amounting to aggression. The peremptory nature of the summons to Dr. Schuschnigg, the violent language held to him, the minatory presence of Generals, the fixing of a time-limit for signature of the agreement, and troop movements on the frontier, all show Hitler's intentions, and the methods which Hitler adopts and will adopt towards Austria. Can his language towards His Majesty's Ambassador, Berlin, reported in the last sentence of Berlin telegram No. 40,[2] February 16th, be interpreted otherwise than as a 'hands off' warning to His Majesty's Government and a challenge to their many declarations of interest in Austria or in Central Europe? He has threatened an independent country, whose independence he has himself recognised, and his partial success may only whet his appetite for more, as long as he feels it is so easily done. He told Dr. Schuschnigg that there was nobody who would or could stop him from putting Austria in order whenever he liked.

Dr. Schuschnigg has warned me that blackmail cannot be repeated, but I see no reason to suppose Herr Hitler will refrain on his part from further blackmail. I consider Herr Seyss-Inquart's departure last night for Berlin very ominous.

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[1] No. 534.

[2] No. 526.

I do not see that firmer language on our part would be useless because we are not prepared to take immediate action (Berlin telegram No. 41).[3] It seems to me important that Hitler should realize that we know what has already been done at Berchtesgaden and that we are actively interested in Austria's independence, particularly as he told Dr. Schuschnigg the opposite.

I submit the above comments on the situation as seen from here with all deference. Rome telegram No. 72[4] to you points the way to only method of securing Austrian independence in the long run, but this raises wide issue of choice between German and Italian friendship, and question of how vital an interest we have in preventing German expansion in Central and South-Eastern Europe.

Repeated to Berlin telegram No. 7 and Paris telegram No. 1.

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[3] No. 528.

[4] This telegram of February 16 reported that both the Soviet and Czechoslovak Ministers at Rome had expressed the opinion that only an Anglo-Italian agreement could prevent further encroachments on Austrian independence.

No. 541

Sir E. Phipps (Paris) to Mr. Eden (Received February 17, 5.30 p.m.)

No. 56 Telegraphic: by telephone [*C 1143/42/18*]

Secret Immediate PARIS, *February 17, 1938*

I saw Monsieur Delbos at 3.30 p.m. this afternoon and . . .[1] instructions in your telegrams Nos. 28,[2] 30[3] and 32 saving[4] and your telegram No. 28[5] with unimportant verbal alterations necessitated by simultaneity of execution.[6]

His Excellency took notes of my oral communication. He said he would have preferred to confine soundings at Berlin to possible humanization of war in the first instance, particularly after Herr Hitler's Austrian coup. He greatly feared that soundings on Colonial question just after that coup would give the impression to Germany that both Great Britain and France were unduly weak and unduly impressed by German violence.

Monsieur Delbos is strongly of the opinion that the situation in Austria must be closely watched and that we must be careful not to give Berlin the impression, despite a few questionings, we are disinteresting ourselves from that country. If Austria is swallowed up German hegemony in Europe becomes certain and then Great Britain and France will become in effect secondary Powers.

I used every argument I could to combat this pessimism and in particular I said my personal opinion was that His Majesty's Government had doubtless wished to take these soundings with Herr Hitler before his approaching speech, and thereby prevent him from assuming an attitude from which he would be unable to retreat. Monsieur Delbos reluctantly admitted there might be something to be said for this argument but he evidently fears our soundings in Berlin in the present circumstances will produce a dangerous effect on Germans.

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[1] The text was here uncertain.

[2] No. 515.

[3] See *ibid.*, note 2.

[4] No. 537.

[5] No. 534.

[6] Sir E. Phipps had received instructions to act on telegrams Nos. 28 and 30 Saving, and No. 28, on the morning of February 17: see No. 546 below.

I impressed several times on His Excellency how vital secrecy was, and he promised faithfully to observe it.

Repeated to Berlin.

No. 542

Sir N. Henderson (Berlin) to Mr. Eden (Received February 17, 7.15 p.m.)

No. 49 Telegraphic: by telephone [*C 1144/42/18*]

Most Immediate BERLIN, *February 17, 1938*

Minister for Foreign Affairs has just rung me up on the telephone to say the Chancellor would prefer to receive me after February 20th. He explained that Herr Hitler was preoccupied with preparation of his speech, but would fix an interview immediately after Sunday.

Sudden arrival of Seyss-Inquart, who has been received by Hitler today, probably caused my own interview to be postponed. Message was extremely civilly worded, and in the circumstances I did not feel justified in doing anything but express readiness to wait until after February 20th.

No. 543

The Earl of Perth (Rome) to Mr. Eden (Received February 17, 9 p.m.)

No. 74 Telegraphic [*R 1615/23/22*]

Personal ROME, *February 17, 1938, 8.15 p.m.*

Following for Mr. Eden.

Lady Chamberlain asks that the following message may be transmitted to the Prime Minister.

'Count Ciano lunched with me today and asked me whether I had any further message from you. I said no. He then begged me to let you know time is everything. Today an agreement will be easy but things are happening in Europe which will make it impossible tomorrow.'

Lady Chamberlain found Count Ciano completely changed and states that he seemed intensely worried.

No. 544

Mr. Eden to Sir N. Henderson (Berlin)

No. 36 Telegraphic [*R 1371/137/3*]

FOREIGN OFFICE, *February 17, 1938, 9.20 p.m.*

Your telegram No. 40.[1]

I had not intended in any way to weaken the line you had been taking: on the contrary I wished by my telegram No. 32[2] that you should make clear that we have a right to interest ourselves in the fate of Austria and intended to exercise that right. I have certainly no objection therefore to your using the language outlined in the first paragraph of your telegram under reference.

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[1] The reference should presumably be to telegram No. 46 (No. 539).

[2] No. 535.

No. 545

Sir E. Phipps (Paris) to Mr. Eden (Received February 18, 9.30 a.m.)

No. 57 Telegraphic [*C 1150/42/18*]

PARIS, *February 17, 1938, 10.55 p.m.*

Your telegram No. 30.[1]

I have informed Minister for Foreign Affairs who promises secrecy but points out that as soundings cannot be taken before Reichstag speech the only valid reason for them so soon after Austrian coup falls to the ground. He begs earnestly therefore that they should be still further delayed in any case not proceeded with until ample time has been given to British and French Governments to consider fully tone and implications of Chancellor's speech.

Repeated to Berlin.

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[1] This Foreign Office telegram of February 17, despatched to Sir E. Phipps by telephone at 7.45 p.m., referred to Sir N. Henderson's message (see No. 542) that the German Chancellor would not be able to see him until after February 20. Sir E. Phipps was instructed to impress urgently 'once more on the French Minister for Foreign Affairs the vital need in our common interest for the absolute secrecy of the communication [No. 541] which you have made to him'.

No. 546

Minute by Sir O. Sargent

[*C 1139/42/18*]

FOREIGN OFFICE, *February 17, 1938*

On the Secretary of State's instructions I told Sir E. Phipps this morning by telephone that he should now act on our telegrams Nos. 28 Saving[1] and 30

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[1] No. 515.

Saving.[2] I called his attention once again to the need for absolute secrecy, as stated in the first paragraph of our telegram No. 28 Saving. I also called his attention to our telegram No. 28,[3] which he had just received and had not acted upon. I explained to him that now he would be able to combine action on this later telegram with the action he was now instructed to take on our telegram No. 28 Saving.[4]

O. G. SARGENT

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[2] See *ibid.*, note 2. [3] No. 534. [4] See No. 541.

No. 547

Letter from Sir A. Cadogan to Sir N. Henderson (Berlin)

[*C 1236/42/18*]

Strictly personal FOREIGN OFFICE, *February 17, 1938*

My dear Nevile,

I think I ought to warn you that there are rumours in Fleet Street purporting to come from press circles in Berlin that you have recently expressed yourself in favour of an Austro-German union. It is also whispered that you have said that you had a note in your pocket to be handed over after the Reichstag meeting in which Germany will be offered substantial economic and possibly colonial concessions.[1]

The line taken here is that all this is merely gossip. I hope no one will believe the rumours, and that nothing more will be heard of them, but I think it only right to let you know what is being put about.

Yours ever,
A. CADOGAN

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[1] Sir A. Cadogan's comments were derived from a letter of February 16 from Mr. Gordon Lennox of *The Daily Telegraph*.

No. 548

Sir N. Henderson (Berlin) to Mr. Eden (Received February 18, 10.5 a.m.)

No. 51[1] *Telegraphic: by telephone* [*R 1477/137/3*]

Immediate BERLIN, *February 18, 1938*

In conversation with Field Marshal Goering on February 16th after I had made quite clear to him reasons for our interest in Austria, he observed, speaking very soberly, that we seemed to have no conception what deep resentment all Germans felt at interference by foreigners, who could not even speak German language, in the private affairs of the two German States.

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[1] This telegram was despatched in advance of telegram No. 50 (No. 550 below).

This frame of mind is illustrated in today's *Völkischer Beobachter.* (See my immediately following telegram[2]).

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[2] Not printed.

No. 549

Mr. Troutbeck (Prague) to Mr. Eden (Received February 18, 12.20 p.m.)

No. 11 Telegraphic [*R 1545/162/12*]

PRAGUE, *February 18, 1938, 10.30 a.m.*

My telegrams Nos. 9[1] and 10[2] do not perhaps fully convey extent of uneasiness prevailing here since what is regarded as Dr. Schuschnigg's capitulation. This seems to have come as a genuine shock to Czechoslovak Government whose previous confidence was not entirely feigned. Since then atmosphere has been distinctly jumpy and some colleagues with a long experience of this country have expressed to me doubts whether the government is in a mood to resist German pressure if it were now applied.

That the German Government will sooner or later turn their attention to this country seems beyond question. Whether it is their immediate intention must be a matter of guess work. All I can say at the moment is that German Minister had a very long conversation with President on February 16th.[3] Fact was kept out of the press and I do not know what was the outcome if any.[4]

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[1] In this telegram of February 16 Mr. Troutbeck reported that the comments of spokesmen of the Czechoslovak Foreign Ministry on Austro-German developments showed that 'official optimism has been somewhat shaken', and that there was fear lest the process of the peaceful Nazification of Austria had already begun.

[2] Of February 17, not printed (R 1527/162/12).

[3] See *D.G.F.P.*, Series D, vol. ii, No. 56.

[4] Commenting generally on the Czechoslovak problem, Sir A. Cadogan minuted on February 23: 'We shall be unable to do anything very effective unless we are prepared to fight for Czechoslovakia. I should say that it wd. be very difficult to get this country to do that, unless it was convinced that the Czechs had a cast-iron case. There is a general suspicion (not entirely unfounded) that Czechoslovakia has done something less than justice to her German minority. Anything that she could do to put herself right in that matter would be all to the good. But, in present circumstances, it may be difficult for her to do anything apparently under pressure, and it might be cruel for us to advise her to do it. (Goodness knows we have done it often enough in the past.)'

No. 550

Sir N. Henderson (Berlin) to Mr. Eden (Received February 18, 12.20 p.m.)

No. 50 Telegraphic [*C 1161/42/18*]

Extremely Confidential BERLIN, *February 18, 1938, 12.14 p.m.*

My telegram No. 44.[1]

1. In conversation with Field Marshal Goering on February 16th he mentioned that recent internal changes had been worked out by Herr Hitler and himself alone during the week before February 5th, that it was not until February 3rd that anyone else and then only five persons, knew of them and that individuals affected by the changes did not learn of them until February 4th.

2. In referring to wild stories about General von Fritsch he said 'What would your Prime Minister have done if Chief of the Imperial Staff had come to him and not only demanded resignation of War Minister but also expressed dissatisfaction with foreign policy and other measures of his Government? He would have said, like Herr Hitler did, Thank you and then removed him from his command.'

3. Speaking of Herr von Ribbentrop he said that 'you will make a great mistake if you regard Herr von Ribbentrop as anti-British. He is not, [?although] I agree that his mission to London was a failure. He will work for an understanding with England though it does not matter what he thinks. There is only one person who runs foreign policy in Germany and that is Hitler himself.

4. I may add that Field Marshal Goering's comment on Herr von Ribbentrop was quite spontaneous. I had not mentioned his name and I assured Field Marshal Goering that I was very pleased to have him here as Minister for Foreign Affairs where I thought that he would do better work than in London as Ambassador.

5. Field Marshal Goering also told me that Herr Hitler's chief cause for resentment against British press and B.B.C. was that whereas, when British Empire had gone through a crisis over the King's marriage, comments of German press had been irreproachable, when there was a crisis in Germany over the marriage of a Field Marshal there was no story too wild or improbable for the British press to publish.

6. As regards Herr von Ribbentrop's successor Field Marshal Goering said that Germany would send the very best man she had.[2]

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[1] No. 536.

[2] In a minute of February 18 commenting on this telegram Mr. Roberts remarked that 'F.M. Goering confirms Sir N. Henderson's previous report that he had been Herr Hitler's sole adviser throughout the crisis'.

No. 551

Mr. Eden to Sir R. Lindsay (Washington)

No. 126 Telegraphic [*A 2127/64/45*]

Important *Very Secret* FOREIGN OFFICE, *February 18, 1938, 12.40 p.m.*

Your telegram No. 120.[1]

I am doubtful as to the wisdom of suggesting to the President a modification of his plan on the lines which you propose. It would mean that the President would keep the idea of a conference in the background and would indicate 'his willingness to assist the conversations already initiated through the diplomatic channel'.

The danger which I see in that is that the President would be associated in the conversations, although without responsibility, and would be free to make suggestions or press points on both sides. We are more susceptible to United States influence than are either Germany or Italy, and should therefore be at a disadvantage.

You surmise that our hesitations arise in regard to proposed Conference. This is not really so: we understood from your telegrams Nos. 39[2] and 40[3] that President did not contemplate a conference. What we thought was in his mind was to consult personages from a number of countries and then to formulate and present a plan of his own.

Further, I should have thought—though on this point I would defer to your opinion—that procedure which you suggest, whereby President would become involved in negotiations in Europe, would have presented him with greater difficulty as regards opinion in United States of America.

In general, we do not want to have too much of a hand in shaping President's course. It will be his plan—an American plan—and it seems to us that the main responsibility for it should be his.

[1] No. 524.

[2] No. 423.

[3] No. 424.

No. 552

Sir N. Henderson (Berlin) to Mr. Eden (Received February 18, 4 p.m.)

No. 53 Telegraphic: by telephone [*C 1165/42/18*]

Immediate BERLIN, *February 18, 1938*

Paris telegram No. 57.[1]

I submit that it would be the gravest mistake to delay my conversation with Chancellor which will almost certainly be fixed for February 21st or 22nd.

Consideration which Herr Hitler is likely to give to my remarks will be most seriously prejudiced if we thus put Austria, the weakest on moral and practical grounds and from German point of view most sensitive of our causes, in the fore-front of the battle. By so doing we shall convince Herr Hitler that he must resign himself to the inevitable hostility of Great Britain and without deterring him from pursuit of his designs on Austria we shall merely strengthen hands of his Extremist advisers with probably even worse results for that country.

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[1] No. 545.

In my opinion the best chance of persuading Herr Hitler to go slow as regards Austria, and that is all we can expect, in reality lies in improvement of Anglo-German relations. On the other hand to postpone contemplated approach on the part of His Majesty's Government to Germany on account of Berchtesgaden agreement will inevitably lead to immediate and serious deterioration of Anglo-German relations. It is question whether we could ever pick up the threads again if we now say to Hitler (for it amounts to this) we cannot discuss colonies because of Dr. Schuschnigg. For however violent Hitler's attitude at Berchtesgaden may have been, it must be remembered that it was not directed against a united Austria but at the leader of an Austrian faction.

Finally when I was recently in London I informed you that Baron von Neurath had definitely stated to me that Germany could make no promises about Austria.[2] I was nevertheless instructed to proceed with these soundings and Baron von Neurath was made aware of this. In these circumstances postponement will be regarded by Germany as evidence of British ill-faith in subserviency to France, rather than of any weakness on our part.[3]

Repeated to Paris.

[2] Mr. Strang minuted on February 18 with regard to this sentence: 'I think the only record we have of this is Sir N. Henderson's own statement to the Cabinet Committee on Foreign Policy on Feb. 3.' See No. 488.

[3] Minutes by Sir O. Sargent and Sir A. Cadogan were as follows. 'I don't understand the argument in the last paragraph. Anyhow now see his further tel. No. 54 [No. 555] on this subject. O. G. Sargent. Feb. 19.' 'Surely we'd better see what Hitler says—and how he says it—on the subject of *colonies*, before we decide whether we can continue on the line we contemplated. It's not a question (yet) of saying we "cannot discuss colonies because of Dr. Schuschnigg". A.C. Feb. 19, 1938.'

No. 553

Mr. Eden to Sir N. Henderson (Berlin)

No. 38 Telegraphic: by telephone [*C 1144/42/18*]

Most Immediate FOREIGN OFFICE, *February 18, 1938, 4.35 p.m.*

Your telegram No. 49.[1]

As the Chancellor cannot now see you until after February 20th, I should prefer[2] to have opportunity of studying his speech before you see him.

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[1] No. 542.

[2] The first draft of this telegram contained at this point a passage saying that Mr. Eden would prefer to 'wait and see the terms of his speech before any date for an interview with him is

You should not therefore accept any appointment with the Chancellor until you have referred to me and received my authority to do so.

fixed. Apart from this, the development of the Austrian situation has introduced a new complication since you intimated to the Chancellor on Feb. 15th that you had a message to deliver. You should explain to the Minister for Foreign Affairs that for these reasons you do not wish for the present to have any date appointed for the proposed interview and that you will await further instructions on this point from me.' This passage was deleted by Sir A. Cadogan with Mr. Eden's agreement.

No. 554

Sir E. Phipps (Paris) to Mr. Eden (Received February 18, 6.40 p.m.)

No. 58 Telegraphic [*C 1167/42/18*]

PARIS, *February 18, 1938, 5.30 p.m.*

My telegram No. 57.[1]

M. Delbos begs me to point out how illogical and even dangerous it would be to proceed with soundings that were originally intended to prevent aggressive action by Germany in Central Europe, now that that aggressive action has been taken. Such a course on our part could merely encourage Germany to take similar action elsewhere.

Repeated to Berlin.

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[1] No. 545.

No. 555

Sir N. Henderson (Berlin) to Mr. Eden (Received February 18, 7.35 p.m.)

No. 54 Telegraphic: by telephone [*C 1168/42/18*]

Most Immediate BERLIN, *February 18, 1938*

Your telegram No. 38.[1]

Though actual date has not yet been fixed I have been informed by Minister for Foreign Affairs that my interview with the Chancellor will be arranged for 21st or 22nd and by the Chancellor's Secretary of State that it will be the 22nd or 23rd February.

I am to that extent committed to it though I do not anticipate that I shall actually be notified before some time on the 21st as to the exact day and hour. If after studying speech you decide that I am not to accept appointment, the course which would do the least harm would be to recall me to London by telephone as early as possible on February 21st i.e. if possible before I have been so notified.

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[1] No. 553.

I asked Minister for Foreign Affairs today whether he could give me any indication as to what Herr Hitler would say on February 20th. I pointed out what I was chiefly concerned about was lest there should be anything in his speech which might be calculated to aggravate the situation and complicate relations between our two countries just at this juncture. Herr von Ribbentrop told me that he could tell me nothing for the simple reason that Herr Hitler had been so occupied with the Austrian question that he had not yet had time to dictate one word of it.

One thing we can be practically certain of is that speech will announce to the world that Austrian question is a German family controversy in which outside interference will not be tolerated. Are His Majesty's Government prepared to take up the challenge? If they are not, will British dignity be enhanced by display of ineffective irritation or will Dr. Schuschnigg's position be thereby strengthened? In my opinion we shall merely precipitate what we seek to avoid and not in Austria only. For if we cannot prevent him doing his worst in Austria and yet make an enemy of him, we shall merely be encouraging him to do his worst elsewhere also. We are on a rising market and I can only repeat, though earnestly, the arguments I have used in my telegram No. 53 of today's date.[2] Much might have been done at far less cost if we had taken Herr Hitler's offer and negotiated after Rhineland re-occupation in 1936. We missed that tide and I submit that we shall miss another vital one if I am instructed to cancel appointment on grounds which concern Austria alone.

In this connexion I would point out that Herr Hitler on this occasion considers he has shown moderation by not enforcing all his demands and has thereby brought about a peaceful solution. Unpalatable though this question may be to the French it affords in my opinion an additional reason for our approach to Germany. We may make Herr Hitler appreciative. We shall certainly bitterly indispose him if we treat it as reason for drawing back once more.[3]

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[2] No. 552.

[3] Sir O. Sargent wrote a long minute strongly dissenting from Sir N. Henderson's views in this telegram. He thought Sir N. Henderson was 'surely making very heavy weather over this postponement . . . [He] seems to suggest in his last paragraph that our approach to Hitler at this juncture will be represented as approval of what he has done in Austria, and that it will for this reason render him "appreciative". If this is really so, it is surely a good reason for going a bit slow . . . does [he] really think that however much we run after Hitler at the present moment, that will prevent him from doing his worst elsewhere, if by that he means, as I suppose, continuing his policy of expansion in Central Europe? . . . Lastly, Sir N. Henderson has no justification for saying that we did not take up Hitler's offer in 1936 . . . O. G. Sargent. Feb. 19th, 1938.'

Sir A. Cadogan wrote: 'I have approved a reply [No. 560 below] to Sir N. Henderson maintaining our instr[uction]s, which is obviously right. There is not only the Austrian question. What will Hitler say about *colonies*? Surely we must see that before we go ahead. He may make it virtually impossible to proceed on our lines. A.C. Feb. 19. 1938.'

No. 556

The Earl of Perth (Rome) to Mr. Eden (Received February 19, 9.30 a.m.)

No. 79 Telegraphic [*R 1550/23/22*]

ROME, *February 18, 1938, 10.45 p.m.*

Although I have no definite information to go on I have an uneasy feeling that Herr Hitler may be pressing or intending to press Italian Government not to embark on any separate conversations with us and to insist that Italian-German demands must be dealt with conjointly. There seems some danger of conclusion of a definite Italian-German alliance. It may be for some such reason that Count Ciano is pressing for immediate start of Anglo-Italian conversations since he would then be able to tell German Government that conversations had already begun and that their request came therefore too late.[1]

I think it right to telegraph this even though it cannot be but surmise on my part.

Can His Majesty's Ambassador Berlin throw any light on the subject?[2]

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[1] This telegram appears to have caused some alarm in the Foreign Office. Mr. Ingram (February 19) thought it possible that 'all this is bluff and blackmail' on Italy's part, but he was convinced 'that we cannot afford to take any further risk in the matter, bluff or no bluff'. Sir O. Sargent agreed. Sir A. Cadogan however commented that the negotiations 'could go on and develop, if Count C. would give us any earnest of his desire to get out of Spain. But he gives us none whatever. A.C. Feb. 19. 1938.'

[2] See No. 563 below.

No. 557

Translation of a memorandum[1] left with Mr. Eden by the French Ambassador on February 18, 1938

[*R 1657/137/3*]

FRENCH EMBASSY, ALBERT GATE HOUSE, *February 18, 1938*

The *démarche* made at Berlin by the British and French Ambassadors[2] as a result of the arrangements which have just been reached at Berchtesgaden between the Governments of the Reich and of Austria, has not succeeded in producing sufficiently precise indications of the real scope of the Austro-German agreement. If in these circumstances England and France now remain silent, this attitude will not fail to be interpreted in Berlin as a tacit admission of resigned acquiescence on the part of the Western Powers. Not only would the German Government be justified in regarding this as a recognition of the accomplished fact, but also in believing that the Governments of London and Paris are prepared to let things go still further.

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[1] No copy of this document has been found in the French archives: see *D.D.F.*, *op cit.*, No. 274, note 2.

[2] See Nos. 519 and 521, and *D.D.F.*, *ibid.*, Nos. 169 and 185.

This would be opening the way to new initiatives, doubtless of a still more serious nature.

No illusions are possible about the consequences of the Berchtesgaden resolutions. Herr Hitler's remarks to the Austrian Chancellor and the language of the German press are equally significant of the state of mind of the Führer and of those around him. Germany has possibly not succeeded at the first attempt in obtaining in Austria all she wanted, but we may rest assured that she will return to the charge. Will she wait until she has definitely settled the Austrian problem before tackling the Czechoslovak question? Nothing can yet be stated with certainty on this point, but there can be no doubt that her decisions will be prepared in the same secrecy and carried out with the same brutality as have marked the Berchtesgaden interview. Doctor Goebbels himself has, moreover, for a long time past publicly defended these methods.

Great Britain and France have already on more than one occasion made an offer to the Government of the Reich to open far-reaching negotiations in which peace guarantees in Central Europe would have to be balanced by concessions to Germany in other spheres. The Berlin Government have always evaded these proposals. In fact their intention is, as is now proved to us, that they should settle themselves, by unilateral decisions, those questions which they regard as essential, and that conversations with London and Paris should not take place until after the final establishment of German hegemony in the centre of Europe, when Herr Hitler will consequently find himself in a position to speak in even more categorical terms than he is able to do today.

The Western Powers should not deceive themselves as to the credit which they will retain in Central Europe and elsewhere if Germany's next ultimatums are accepted. If, on the contrary, they are rejected, and if the Czechoslovak Government show themselves determined to resist, all the consequences should be foreseen. The President of the Council and the Minister for Foreign Affairs of France had the opportunity during the Franco-British talks in November, 1937, to recall what are France's engagements in this connexion.[3] It is thus important, in the interests of European peace itself, whilst there is yet time, to stop the execution of the German plan by combined action on the part of Great Britain and France.

The Austrian Chancellor has not resigned himself to capitulation, and Herr Hitler did not at Berchtesgaden reach all the objectives which he has set before himself. The situation therefore is not yet finally lost; but it is incontestable that Austrian resistance depends upon the support which she can find in London and Paris, Italy having abdicated her responsibility from the moment Signor Mussolini preferred to sacrifice the position of his country in Central Europe rather than renounce his Mediterranean ambitions.

Herr Hitler has formally indicated to Doctor Schuschnigg that he counts upon the inaction of the Governments of London and Paris, and has gone so far as to claim—contrary to the truth—that his policy towards Austria and Czechoslovakia received encouragement from Lord Halifax's remarks.[4]

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[3] See No. 354.

[4] See No. 517.

Without ignoring the difficulties of the British Government in undertaking in advance any formal engagements, it is surely not impossible at last to open the eyes of Herr Hitler and his collaborators to the obligations which their anxiety to maintain peace in Central Europe may eventually impose upon Great Britain and France; it ought to be equally possible to undertake a concerted study between London and Paris of the most appropriate means for backing up the resistance of Vienna and Prague. In the opinion of the French Government, a very clear warning should be given to the German Government; in this respect it is questionable whether the last *démarche* made by the British Ambassador in Berlin was sufficiently of this character.

The Austrian Chancellor had asked that a *démarche*, preferably joint, or at the least concerted, should be made in Berlin by the two Ambassadors. The French Government hold such a gesture to be essential in the near future, and they consider that the Government of the Reich should be warned:

(1) that the legitimate anxiety of Doctor Schuschnigg to safeguard Austrian independence will not, in the opinion of Great Britain and France, allow him to go any further;

(2) that the real and not merely verbal independence of Austria constitutes one of the major interests of European peace, and that the British and French Governments could not be indifferent spectators of any new attempts destined to destroy it.

(3) that in general we cannot tolerate any *coup de main* or act of war likely to bring into question the territorial status quo in Central Europe, and that in that case these events would meet with opposition on the part of the Western Powers.

Apart from such a warning, it would be equally desirable for the Governments of London and Paris to consider whether all means of facilitating the rapprochement of the Danubian States have been exhausted; whether certain possibilities are not still open in this connexion in agreement with Vienna and Prague; and whether, in particular, these could not be found in the economic and financial sphere.

However desirable Italian co-operation may still be, this is of a very uncertain character in view of the circumstances in which Signor Mussolini has just abandoned Doctor Schuschnigg to his fate; it therefore remains very doubtful whether the co-operation of the Duce can be obtained at present. However this may be, if such co-operation still remains possible, it would undoubtedly be easier to obtain it if Franco-British action did not appear to be subordinated to it. The more resolute we appear, the less we shall seem to submit passively to events, and the greater will be the chances of bringing Italy back to us some day.

The French Ambassador would be glad to learn the views of the British Government on the foregoing considerations.[5]

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[5] Copious minuting on this memorandum in the Foreign Office led to the conclusion that the reply to the French proposals must be negative. In a minute of February 19 Mr. Strang remarked: 'This is a rather typical French production. They put up proposals which go well beyond what they themselves are willing (or in a position) to perform, and will place the

responsibility for inaction upon us.' He referred to telegram No. 28 of February 16 to Paris (No. 534) which told the French Government that H.M.G. were not prepared to go beyond the instructions to Sir N. Henderson mentioned therein. He thought that the Germans 'are clearly not in a position to fight a great or a long war'. On the other hand, 'neither we nor the French possess the offensive power sufficient to prevent Germany from working her will in Central Europe:— and in order to prevent her, it is *we* & the French who would have to take the offensive'. Sir O. Sargent agreed generally, and made further comments. Sir A. Cadogan summed up the discussion by writing: 'As regards the French proposals, I agree. The time for talking about Austria has gone by (probably some time ago). The question is—as put by Sir O. Sargent—can we do anything to prevent further blackmail & bullying being employed by Germany against other countries? Here again, I think we can only do it if we are prepared to assume further commitments. That will depend on the feeling (and the degree of fear) produced here by a realisation of what has really happened to Austria. Much may depend on Hitler's speech (see No. 567 below), and much on his reception of our approach (if made) to him for a reasonable general settlement. If this latter is contemptuously rejected, I should have thought this country would realise where it was and might agree to further commitments. A.C. Feb. 19. 1938'.

A draft reply to the French memorandum was discussed at a meeting at the House of Lords on February 22 between Lord Halifax, Lord Plymouth, Sir A. Cadogan, and Mr. Ingram. The matter was examined by the Cabinet on February 23 (see No. 580 below). Following their instructions, a memorandum was evolved and handed to M. Cambon on the evening of February 25 (see No. 592 below).

No. 558

Mr. Palairet (Vienna) to Mr. Eden (Received February 19, 9.30 a.m.)

No. 32 Telegraphic [*R 1559/137/3*]

VIENNA, *February 19, 1938, 1.40 a.m.*

French Minister saw Chancellor today[1] and is impressed by his calm determination to continue resistance to German pressure with all powers at his command. Chancellor hopes the French and British Governments will make it perfectly clear to Hitler that they are concerned in Austria's fate and that their passivity is not to be counted on if a second attempt at bullying her takes place. Chancellor has strong impression that Lord Halifax's visit had encouraged Hitler in aggressive policy towards Austria and he considers it important to dispel this idea as he realises the importance attached by Hitler to goodwill of His Majesty's Government.

He has received assurances that Hitler's speech on February 20th[2] will be conciliatory as regards Austria: if it is not his own speech on February 24th[3] will not be conciliatory either. He understands that Hitler's speech will strongly emphasise question of colonies. French Minister ascertained that Italian Minister here was informed of the meeting only the day before French Minister and myself. German Government did not inform Rome and Italian Ambassador in Berlin was ignorant of it. Herr von Ribbentrop himself was taken by surprise by the summons to Berchtesgaden and meeting seems to have been arranged entirely by German Minister here.

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[1] i.e. February 18: see *D.D.F.*, *op cit.*, Nos. 203 and 204.

[2] See No. 567 below.

[3] See No. 584 below.

French Minister asked the Chancellor why he had not put the situation clearly before Signor Mussolini and left to him decision as to Austria's answer to German demands. He replied that it would have been useless as Signor Mussolini depended too much on Berlin and also everything said to Italian Minister for Foreign Affairs was repeated to Berlin. French Minister thinks he has convinced Chancellor of the necessity of his seeing Signor Mussolini personally before long. He reproached Chancellor for not giving French and British Governments time to advise him about the meeting but the Chancellor had definitely made up his mind not to refuse it and thus give Hitler the chance of denouncing Austria for unfriendliness and taking violent action. But he was of course quite unprepared for Hitler's violent attitude: and after the meeting he had no choice between accepting the minimum or resigning. (French Minister does not think President[4] really played any part in the decision). Amongst German demands to which he did not give way were removal of State Secretary for Defence and Chief of General Staff (the latter is in any case due to retire but will be replaced by a reliable man); agreement between the two general staffs; removal of Press Bureau officials; common coinage; close economic union (Chancellor has only agreed to intensification of trade); and recognition of Nazi party. Hitler demands exchange of 100 officers between the two countries; Chancellor accepted the principle but will only admit 10.

Chancellor's idea is that Patriotic Front will in future include three groups: Nationalists, Workers and Legitimists all of whom will have to subscribe to 'Corporative Christian Constitution' which will leave Nazis with only anti-Semitism and anti-capitalism as their official programme. He is greatly encouraged by attitude of Workers and says that if it were practicable (which of course it is not) a plebiscite held now would give him a large majority.

French Minister has the impression that he will use every possible means to annul the harmful effects of his forced concessions while making Germans believe their schemes are succeeding: but I fear these typically Austrian tactics will break down before German brutality. People here are greatly discouraged and alarmed; I think however we may now expect a period of a few months calm at any rate on the surface.

Have you any message for the Chancellor whom I expect to see in the next few days? I am sure a word of encouragement would be appreciated.

Repeated to Paris, Berlin, and Rome.

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[4] Dr. W. Miklas.

No. 559

Mr. Palairet (Vienna) to Mr. Eden (Received February 19, 2 p.m.)

No. 33 Telegraphic [*R 1562/137/3*]

VIENNA, *February 19, 1938, 1.30 p.m.*

Berlin telegram No. 51.[1]

Theory solemnly repeated by Hitler, Marshal Goering and German press that no non-German State has any say in Austria's fate is certainly not held here. I am constantly being told by non-official Austrians that England is Austria's last hope: and Austrian Government certainly relied on Italian support, even if only moral, before the present crisis and would gladly accept it if they could get it now. As you know they do not regard relations with Germany as excluding [2] a 'family affair' and are anxious for British and French assistance in preventing any more fraternal endearments. In any case theory is absurd as it would deny to all Austria's non German neighbours any concern in her future status and ignores the fact that German absorption of Austria would constitute European question by opening wide the door to German domination of Central European and the Balkans. Chancellor would be greatly encouraged if he knew of Berlin telegram No. 46[3] and your reply to it No. 36.[4]

Repeated to Paris No. 5, Berlin No. 11 and Rome No. 5.

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[1] No. 548.

[2] It was suggested on the filed copy that this should read 'exclusively'.

[3] No. 539.

[4] No. 544.

No. 560

Mr. Eden to Sir N. Henderson (Berlin)

No. 43 Telegraphic [*C 1168/42/18*]

FOREIGN OFFICE, *February 19, 1938, 9.30 p.m.*

Your telegram No. 54.[1]

I think it best to maintain the instructions contained in my telegram No. 38.[2] I note however your suggestion in paragraph 2 which may be useful.

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[1] No. 555.

[2] No. 553.

No. 561

Extract from Cabinet Conclusions No. 6 (38) of February 19, 1938

[*R 1790/23/22*]

The Cabinet met as a matter of urgency for the consideration of an issue that had arisen as the result of conversations that had taken place on the previous day between the Prime Minister, the Secretary of State for Foreign Affairs and Count Grandi.[1] At the end of those conversations it had been arranged that the Prime Minister and the Foreign Secretary should meet the Italian Ambassador again on Monday, 21st February. The main question under consideration was as to whether the Italian Ambassador should be informed that His Majesty's Government were willing at once to take up conversations with the Italian Government in Rome with a view to an appeasement between the two countries, or, alternatively, whether a further postponement of the formal conversations in Rome (as distinct from the less formal talks in London) should be asked for. In this matter the main issue was not one of principle as to the desirability of an agreement with Italy, but rather of method, timing and whether the present moment was opportune or not. A subsidiary issue was as to whether any, and, if so, what conditions should be imposed before entering on the conversations.

After the Prime Minister and the Secretary of State for Foreign Affairs had explained the issues to the Cabinet, a discussion took place in which every member of the Cabinet was asked his view.[2]

The decision was postponed until the following day, Sunday, 20th February, at 3.0 p.m.

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[1] The content of these two conversations on February 18 is described in Foreign Office despatch No. 236 to Rome (No. 573 below). In his memoirs Lord Avon said that Mr. Chamberlain had not wanted him to be present when he met Count Grandi, but 'I insisted, Grandi having ducked me for some days' (*Facing the Dictators, op. cit.*, p. 582). Cf. also *Ciano's Diplomatic Papers, op cit.*, pp. 164–6.

After the first meeting with Count Grandi Mr. Chamberlain and Mr. Eden had a serious disagreement: the Prime Minister wished to tell Count Grandi when he returned in the afternoon that His Majesty's Government were willing to open conversations immediately with the Italian Government. Mr. Eden objected that insufficient progress had been made in settling outstanding points of difference. It was this disagreement which led to the summoning of the Cabinet meeting on February 19.

[2] The Cabinet Conclusions as printed here represent a shortened version of the proceedings, as found in the F.O. archives. There was, however, a much fuller account of the Cabinet meeting, a copy of which has been supplied from the Cabinet Office archives and is printed as Appendix II to this Volume. For other accounts of the crisis see *Facing the Dictators, op. cit.*, pp. 579–91, *The Diplomatic Diaries of Oliver Harvey*, pp. 93–5, and Mr. Chamberlain's diary, Appendix I to this volume.

No. 562

Sir E. Phipps (Paris) to Mr. Eden (Received February 20, 11.30 a.m.)

No. 59 Telegraphic: by telephone [*R 1568/23/22*]

PARIS, *February 20, 1938*

The majority of this morning's Paris newspapers publish long accounts from their London correspondents of the alleged proceedings at the Cabinet meeting on February 19th and of the conversations between the Prime Minister and yourself and Count Grandi which preceded that meeting.[1]

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[1] See No. 561.

Dismay is generally expressed at the possibility of your resignation as the result of alleged differences of opinion between yourself and Mr. Chamberlain, particularly as regards the policy to be adopted as regards Italy.

Thus the *Figaro's* London correspondent writes that crisis at the present moment is inconceivable, while Tabouis in the *Oeuvre* (Radical Socialist) thinks that the Führer's speech will put an end to any differences of opinion in the British Cabinet. Since November she says your international position has become so important that no one can believe in the possibility of your resignation. The correspondent of *Excelsior* (Centre) considers that the possibility of your resignation cannot be entertained and your presence at the Foreign Office is more essential than ever.

Writing in the *Echo de Paris* (Right) Pertinax cannot believe that you will be allowed to go. You have shown yourself to possess great courage and vision. Your departure would cause a violent international disturbance. The *Populaire's* (Socialist) London correspondent writes that in presence of the international situation which is so alarming the necessity of safeguarding the stability of the Cabinet cannot escape the members of the Government.

A number of writers including Pertinax, Tabouis, Leroux (in the *Populaire*), etc. write in affirming that is it quite idle to suppose that any attempt to weaken the Berlin-Rome axis by coming to terms with Signor Mussolini can be successful.

No. 563

Sir N. Henderson (Berlin) to Mr. Eden (Received February 20, 6.30 p.m.)

No. 57 Telegraphic: by telephone [*R 1569/23/22*]

Immediate BERLIN, *February 20, 1938*

Your telegram No. 42.[1]

I have not personally remarked here any indication in the sense mentioned by Lord Perth. Possibility cannot of course be entirely excluded and has in fact been rumoured in less authoritative quarters and Herr Hitler may well contemplate it if he gets the impression that Anglo-German conversations will lead to nothing. It must also be borne in mind that he is so violently resentful over the attitude of British Press during the course of this month that he is almost capable of any act which would give expression to his indignation. Nevertheless in spite of bitter resentment I am convinced myself that he wishes first of all to put sincerity of our desire for an understanding to the test. Regarded from his standpoint he will judge that sincerity by two standards (1) a more favourable press or at least one that will not lightly publish unfounded rumours similar to those we spread abroad in the past three weeks and (2) the at least tacit recognition of Austria as a question which the two German States must settle peacefully between themselves. Much as Herr Hitler desires, as I am quite certain that he does desire, an Anglo-German understanding he will according to his own lights be too sincere to proffer friendship without making this latter point clear. If His Majesty's Government cannot see their way to explain[2] it we shall, and I am quite clear in my own mind on this point—have to resign ourselves to bad relations with Germany until either we have abandoned Stresa Front or Germany has precipitated complete Anschluss or we have had a war to prevent it.

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[1] This telegram of February 19 repeated Rome telegram No. 79 (No. 556) to Berlin.

In fact what Germany will do next entirely depends in my judgment on the upshot of our approach to him. Even to postpone my conversation might well in my view be disastrous. Moreover it must be remembered—a fact of which the French Government are not aware—that I shall be making merely a very tentative suggestion and asking something quite considerable in return.

Consequently I consider it highly improbable that Herr Hitler before learning what I have to say will either press Italy in the direction of a definite alliance or insist on consideration conjointly of Italo-German demands. The latter course would be contrary to his usual practice of direct negotiations with Power concerned. Moreover not only would it invite the rejoinder that we must be in readiness to act in concert with the French but it would subordinate satisfaction of German claims to settlement of Italian desiderata and thus render solution by agreement more difficult rather than easier. Italian haste may not [*sic*] be rather due to desire to console themselves for invidious position in which Berchtesgaden agreement has placed them and with a view to securing our aid to resist further encroachments as regards Austria.[3]

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[2] It was suggested on the filed copy that this word should read 'accept'.

[3] Mr. Strang minuted his agreement 'with Sir N. Henderson's appreciation of the German attitude contained in the last paragraph of this telegram' (February 23).

No. 564

Sir E. Phipps (Paris) to Foreign Office (Received February 20, 9.5 p.m.)

Unnumbered Telegraphic: by telephone [*C 1192/13/17*]

PARIS, *February 20, 1938*

Following for Prime Minister.

I have just been summoned to Ministry of Foreign Affairs, where I found assembled MM. Chautemps, Delbos, Corbin and Léger.

They are all gravely perturbed at news from England and reported resignation of Secretary of State for Foreign Affairs.[1]

MM. Chautemps and Delbos begged me to remind you of their recent cordial conversations in London with yourself and Mr. Eden and agreement there reached to consult together before embarking upon any new policy.[2] They would greatly welcome some assurance at once from His Majesty's Government that this agreement will be loyally observed.

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[1] See No. 568, note 2 below.

[2] See No. 354.

If a radical change has been decided without even notifying French Government they fear effect in France will be quite disastrous and in Germany and Italy equally so. Hitler's speech[3] in several respects was threatening, viz. in regard to Spain, where Republican victory cannot, he said, be tolerated, the reference to ten million Germans over his frontiers over whom he claims protective duties, and also his language regarding Japan.

I pointed out that events had moved so quickly in England that no time had actually been given in which to make any communication to the French Government. But I earnestly beg that I may now be authorised to give some assurances to them.

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[3] See No. 567 below.

No. 565

Foreign Office to Sir N. Henderson (Berlin)

No. 45 Telegraphic: by telephone [*C 1168/42/18*]

FOREIGN OFFICE, *February 20, 1938, 9.30 p.m.*

My telegram No. 43.[1]

If you are given an appointment by the Chancellor, you should reply that, owing to the resignation of the Secretary of State for Foreign Affairs,[2] you are without instructions and you must therefore ask for delay until the new Secretary of State has taken charge.

Repeated to Paris No. 41.

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[1] No. 560.

[2] See No. 568, note 2 below.

No. 566

Foreign Office to Sir E. Phipps (Paris)

Unnumbered Telegraphic: by telephone [*C 1192/13/17*]

FOREIGN OFFICE, *February 20, 1938, 10 p.m.*

Your unnumbered telegram of today.[1]

Following from Prime Minister.

I have received your message concerning the rumours which the French Government have heard of the resignation of the Secretary of State for Foreign Affairs.

I request you to give them at once my assurance that this event, the reasons for which will be stated to Parliament tomorrow, must in no way be interpreted as indicating any weakening of the bonds that bind our two countries together.

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[1] No. 564.

His Majesty's Government have taken no action without consultation with the French Government, and they have no proposals for any new line of general policy of which French Government are not aware.

His Majesty's Government certainly intend to remain in close consultation with them.[2]

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[2] Sir A. Cadogan refers to this telegram in his diary for February 20, when after summarizing the events leading to Mr. Eden's resignation he remarks: 'Meanwhile I got a wild S.O.S. from Phipps in Paris and drafted a soothing reply which P.M. accepted and was telephoned to Phipps by 10 . . .' (*The Diaries of Sir Alexander Cadogan*, p. 52). For a similar communication to the United States Government on February 21 see No. 582 below.

No. 567

Sir N. Henderson (Berlin) to Foreign Office (Received February 20, 10 p.m.)

No. 59 Telegraphic: by telephone [*C 1181/1180/18*]

Most Immediate BERLIN, *February 20, 1938*

I attended Reichstag with the First Secretary and the following are my comments on Herr Hitler's speech:[1]

1. The first part was designed to prove to the German people the extent of achievements of his régime. It contained many characteristic and telling debating points.

2. The part on foreign affairs was addressed to England. Herr Hitler was clearly suffering from cumulative effect of attacks to which he has been subjected by the English press during the last five years. He has the impression that the British public has been encouraged to hope for his fall and to view with satisfaction any misfortune to Germany as tending to bring about this consummation. Hence he is personally resentful. As I have said before his attitude is that of the rejected lover. To this I ascribe his bitter remarks.

3. His references to colonial question were as moderate as he could make them without eating his words.

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[1] A translation of the more important passages of Herr Hitler's address to the Reichstag had been telephoned to the Foreign Office as Berlin telegram No. 58, received at 6.15 p.m. on February 20. Herr Hitler began his speech with a review of the achievements of the Nazi state, and referring to the events of February 4 (see No. 492, note 1) declared that on that day national socialism had 'redressed the whole of Germany . . . and possessed it, without exception and completely'. Moving on to foreign affairs, he spoke at some length on Germany's lack of colonies, saying that Germany had no 'subjects of conflict' with England except the colonial issue. He referred to his 'deep-rooted mistrust of conferences', and attacked the League of Nations, announcing that Germany would recognize Manchukuo. International relations were being poisoned by an anti-German press campaign which was such a threat to peace that he had decided 'to carry through the strengthening of the German defence forces': measures had been in hand since February 4. On the subject of Austria, he spoke with pleasure of the recent *détente*, thanking Dr. Schuschnigg for the 'great understanding and the warm-hearted readiness with which he accepted my invitation'. A full report of the speech is printed in *The Times*, February 21, 1938, p. 9.

4. Remarks on Sino-Japanese war reflect his dislike of Chinese connexion with Russia to which I have already drawn your attention.

5. He said nothing to confirm the rumours that he wants to make Italian connexion a regular alliance.

6. German attitude to the League remains unaltered. On this point Herr Hitler has the support of the whole nation irrespective of political complexes.

7. Statement on Austria and on the attitude thereto of the Western Powers was more moderate than I expected. His words seem to bear out account I have given you of Herr Hitler's views and intentions.

8. There was no direct threat to Czechoslovakia or her independence but the Chancellor indicated plainly that he would obtain modification of policy adopted by Czechoslovakian Government towards Sudeten Germans.

9. Germany will not be deterred from realizing her 'few' and 'modest' aims in Central Europe except by force; and if force is used against her she is not afraid of war.

10. The speech as a whole showed signs of hasty preparation and was not one of Herr Hitler's best. He was at times jocular and he joined in general laughter but he showed deep resentment at attacks on himself in the foreign press particularly at the unfounded reports on the recent events in Germany. This ran through the whole speech and he strongly repeated his view that something in the nature of a press truce was essential if there was to be an improvement in international relations. Despite his bitterness on this subject the general tone was more rational than was generally expected. In particular there was no announcement of further measures against the Jews or denunciation of colonial clauses of the peace treaty expected in some quarters. At the conclusion the Chancellor seemed to be prostrated by exhaustion. He wrung his hands nervously and was scarcely able to acknowledge the ovation of the House.

No. 568

Extract from Cabinet Conclusions No. 7(38) of February 20, 1938

[R 1791/23/22]

The Cabinet met once more as a matter of urgency to resume consideration of the question of relations with Italy, which had been under discussion at the whole of the Meeting referred to in the margin.[1]

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[1] See No. 561. The Cabinet met on February 20 at 3 p.m. In his memoirs Mr. Eden said that at about 12.30 p.m. Mr. Chamberlain 'sent for me and asked whether I had qualified my view of the night before. I replied that I had not.' Mr. Chamberlain then mentioned that the Italians 'had now accepted my formula for the withdrawal of volunteers from Spain'. Mr. Eden retorted: 'Have they, Neville? I have heard nothing of it. No word has reached the Foreign Office and I am still Foreign Secretary' (*Facing the Dictators*, p. 592). It is generally accepted that the message reached No. 10 Downing Street through Sir Joseph Ball, Director of the Conservative Research Department 1930–9. He is considered to have been, with Sir Horace Wilson, one of Mr. Chamberlain's two closest advisers outside the Government. See the comments of Iain Macleod in *Neville Chamberlain* (London, 1961), pp. 217–20.

The Prime Minister reported that shortly before the Meeting of the Cabinet he had heard that the Italian Government were going to accept the British formula on the withdrawal of volunteers from Spain.

At 4.45 p.m. there was an adjournment, during which the following Ministers met informally with a view to finding a solution of the difficulties that had arisen:

The Prime Minister,
The Lord President of the Council,
The Secretary of State for Foreign Affairs,
The Secretary of State for Dominion Affairs,
The Minister for Co-ordination of Defence,
The President of the Board of Trade,
The Minister of Agriculture and Fisheries.

At 6.10 p.m. the Cabinet, who had not left the building, re-assembled. They were informed that during the informal meeting a suggestion had been made that when the Prime Minister and Foreign Secretary saw the Italian Ambassador on the following day they should make a statement to the following effect:

> 'His Majesty's Government are enthusiastically in favour of conversations. They attach so much importance to them that they would have preferred a longer time for preparation. If this, however, was liable to be misunderstood in Italy, they were willing to announce an early start. They felt, however, that they must make plain that an agreement on Spain must form an integral part of the final arrangement and that no agreement could be reached without it. Moreover, the question of Abyssinia involved the League of Nations, and it was hopeless to try and obtain the agreement of the League without being able to announce publicly that the Italians were in fact co-operating over Spain'.

The Ministers concerned had felt that the adoption of that course, in conjunction with Italian agreement to the British formula for withdrawal of volunteers from Spain, should ease the situation for the Foreign Secretary.

The Foreign Secretary said that he had understood that the above proposal depended upon the Italian Ambassador confirming officially the information already received on the subject of the British formula.

The Prime Minister agreed.

The Foreign Secretary asked for a little time to consider this proposal.

The Cabinet agreed

(a) To adjourn in order to give the Foreign Secretary an opportunity to consider the formula proposed by the Lord President of the Council and reproduced above:

(b) That the following Ministers, namely,
    The Prime Minister,
    The Lord President of the Council,
    The Secretary of State for Dominion Affairs,

The Minister for Co-ordination of Defence,
The President of the Board of Trade,
The Minister of Agriculture and Fisheries.

should re-assemble at Downing Street at 7.30 p.m. to hear the decision of the Secretary of State for Foreign Affairs, and, on behalf of the Cabinet, to make any further observations to him that they might think desirable:[2]

(c) That the Secretary should be instructed to attend the meeting at 7.30 p.m. and to inform the Cabinet by written notice of the result.[3]

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[2] In his memoirs Mr. Eden stated: 'As arranged I saw my principal colleagues once more at 7.30 that evening in the Cabinet room. After only a brief discussion I told them that I could not change my attitude, and said to the Prime Minister that I would write to him to offer my resignation'. He sent the letter at once from the Foreign Office: Mr. Chamberlain's reply was received there at midnight. The correspondence was published in *The Times*, February 21, 1938, p. 14. Some account of the intimate discussions between Mr. Eden and his advisers on February 20 is given in *Facing the Dictators*, pp. 591–602; Cadogan, *op. cit.*, pp. 49–54; Harvey, *op. cit.*, pp. 88–97. See also Mr. Chamberlain's diary, Appendix I to this Volume.

[3] *Note in original*: The latter decision was not carried out because, as a result of the 7.30 meeting, the Prime Minister decided to re-assemble the Cabinet at 10 p.m.

No. 569

Mr. Palairet (Vienna) to Mr. Eden (Received February 25)

No. 50 [*R 1826/137/3*]

VIENNA, *February 20, 1938*

Sir,

I have the honour to submit to you the following record of the events, so far as I have been able to disentangle them, which led up to, accompanied and succeeded the meeting between the Austrian and German Chancellors at Obersalzberg on the 12th February.

2. According to Dr. Guido Schmidt (who in this instance I believe to be a reliable informant), the first serious proposal that the meeting should be held was made by Herr von Papen on Monday, the 7th February. He had, it is true, often discussed the possibility of such a meeting, but had made no concrete suggestion for one. On the 7th February he proposed that the meeting should take place on the 9th February. Dr. von Schuschnigg declined to go to Berchtesgaden at such short notice, and the meeting was eventually fixed for the 12th February. The Italian Minister was informed of the plan on the 10th February, while my French colleague and myself learned of it on the 11th February from the State Secretary, who, as I reported in my telegram No. 12[1] of that date, made light of the dangers of the meeting and professed to see nothing but advantages to be gained from it.

3. That the meeting was initiated from the German side, there can be no

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[1] No. 506.

doubt. It seems that Herr von Papen, in the hope of leaving Vienna in a blaze of triumph instead of under the cloud of a dismissal, engineered the meeting, finding a willing accomplice (I use the word deliberately) in Dr. Schmidt by dangling before his ambitious gaze the post of Austrian Minister for Foreign Affairs. My French colleague believes that Herr von Papen arranged the meeting direct with Herr Hitler. He tells me that the Italian Ambassador in Berlin was not informed of the meeting beforehand, and that when His Excellency upbraided Herr Ribbentrop for his silence, the latter replied that he knew nothing of it until he was suddenly summoned to Berchtesgaden. This certainly seems likely, for Herr von Papen would obviously not wish to share his triumph with Herr Ribbentrop, whom he dislikes and despises; and it seems to be the fact that the Italian Government was informed of the approaching meeting by Austria and not by Germany.

4. Herr von Papen's and Dr. Schmidt's reasons for desiring the meeting are clear: they were inspired largely by their personal ambitions. Of Herr Hitler's I am not in a position to judge: the general opinion here is that he needed to announce some sort of victory in his forthcoming speech in order to distract attention from recent events with their rather disconcerting evidence of dissension in Germany. The fall of the Goga Ministry in Roumania[2] is also felt to have been a blow to German prestige which needed some counter-balancing triumph. Other reasons may have been: the reports from London of an Anglo-Italian rapprochement; the *Teinfaltstrasse* affair;[3] and the disappointing effects, from the German point of view, of the Agreement of the 11th July [1936][4]. It is more difficult to understand why Dr. von Schuschnigg should have consented to adopt so risky a course. His State Secretary might deliberately shut his eyes to the dangers of the meeting, but I feel sure that the Chancellor himself must carefully have weighed the pros and cons before deciding. There is no doubt that the pressure applied so violently by Herr Hitler at the meeting was employed in a lesser degree by Herr von Papen in order to induce him to attend it; but in any case Dr. von Schuschnigg made up his mind that a refusal would only give Herr Hitler the opportunity of denouncing him as unwilling to be friendly and of taking some hostile action against Austria. Had he been aware of what sort of reception was to await him, he would no doubt not have gone—or not, at any rate, without careful preparation. As it was, no programme was drawn up, and it was not known exactly what was to be discussed.

5. My French colleague reproached the Chancellor for his reticence on the subject, and for letting the French and British Governments know of the meeting only when it had been actually settled. Monsieur Puaux observed to me that even if we had known of it earlier, it would have been unwise to take the grave responsibility of advising the Chancellor not to go, when we had no support to offer him against the possible consequences of a refusal; but we could at any rate have urged him not to go without careful preparation, and

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[2] The pro-German Government of Roumania led by M. Goga resigned on February 10.

[3] A reference to the raid on Nazi headquarters in Vienna on January 26: see No. 479.

[4] See Volume XVI, No. 436, note 4.

to consult the Italian Government first—a step which he surprisingly did not take, no doubt from lack of confidence in their ability or willingness to help him. Be that as it may, Dr. von Schuschnigg made up his mind, without outside advice, that it was better for Austria that he should go to meet the Führer.

6. I understand that it would be impossible to exaggerate the extraordinary character of the interview which took place at Obersalzberg on the 12th February. The Führer seems to have surpassed himself: as I had the honour to report to you, Dr. von Schuschnigg said that he raved like a madman, and that his violence and unscrupulous bullying had been indescribable.[5] 'Erpressung' was the word Dr. von Schuschnigg used to describe his tactics, and 'blackmail' is indeed the only appropriate word. The heads of the German armed forces were marshalled in the adjoining room in order to supply a further element of intimidation, and Herr Hitler did not hesitate to say that no one could or would stop him if he chose to 'put Austria in order'. His violence was, I am inclined to believe, a surprise even to Herr von Papen. Dr. Schmidt told me that the latter had been most helpful in exerting a moderating influence on the Führer's demands, and that he, Dr. Schmidt, had had a favourable impression of Herr Ribbentrop also.

7. When one considers the circumstances in which this surprising interview took place, it is astonishing that Dr. von Schuschnigg was able to give way as little as he did. He yielded on four points:

(1) The appointment of Herr Seyss-Inquart as Minister of the Interior and Public Security;
(2) The admission of Nazis to the Patriotic Front;
(3) The amnesty of Nazi political offenders; and
(4) The restoration of pensions to them.

He has, while agreeing to (1), not only retained Dr. Skubl as Chief of Police under Herr Seyss-Inquart, but has promoted him to be Inspector-General of the Gendarmerie; in regard to (2), he has secured the admission of Nazis to the Patriotic Front only on condition that they accept the 'corporate and Christian' Constitution, thus being placed on an equal footing with the Workers and Legitimists: while he has extended the advantages of (3) and (4) to all political offenders and not to Nazis only. On paper, therefore, these concessions are not so far-reaching as they seemed to be at first; though of course all depends on how they are made use of. Dr. von Schuschnigg is determined to counter German pressure by every means in his power, while allowing it to appear that it is progressing. It remains to be seen how far this difficult and delicate policy will succeed. Much depends on the future activities of Herr Seyss-Inquart: his departure for Berlin immediately after the agreement is not reassuring, but it was approved by Dr. von Schuschnigg, who told me himself that he had confidence in him. I hear from a good source that he is a convinced Nazist, but both Dr. von Schuschnigg and Dr. Schmidt impressed on me that he is a practising Catholic. (So, for that matter, is Herr von Papen).

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[5] Cf. No. 520.

8. Other demands which were made were: the 'Angleichung' (assimilation) of the Army, and of the economic and monetary systems; alternatively, an agreement between the two General Staffs; the removal of the Austrian State Secretary for Defence and of the Chief of the General Staff and also of the heads of the Press Bureau; and the recognition of the Nazi Party in Austria as such. All these demands were refused, and in regard to economic affairs no more than a continued intensification of trade was promised. Herr Hitler wished to secure the exchange between the two countries of no less than 100 military officers for purposes of study, but Dr. von Schuschnigg accepted this only in principle, and does not propose to admit more than 10.

9. The Chancellor and Dr. Schmidt returned to Vienna on the 13th February to submit these proposals to the President, on the understanding that a reply was to be sent to Herr Hitler by the evening of the 15th February. My French colleague does not think that Dr. Miklas played an important rôle at this moment. Dr. von Schuschnigg had clearly made up his mind that Herr Hitler's conditions must be accepted—as he said to me on the evening of the 14th February: 'I have yielded to threats, but I have yielded the minimum'—and it was inconceivable that the President should have overruled him and thus brought about his resignation. The attempt to intimidate the Austrian Government by troop movements near the Bavarian frontier on the 15th February did not influence Dr. von Schuschnigg's decision. He told me that he knew of them and was not alarmed by them. I learn from the Military Attaché that these movements are now said to have been planned beforehand and not connected with the meeting, but they were, in any case, used as an additional means of intimidation.[6]

10. I saw Dr. Schmidt by appointment at 6.0 p.m. on the 14th February.[7] He described the violent nature of the meeting and the results of it; but he told me nothing of the time-limit, nor did he tell me that Herr Hitler had quoted Lord Halifax to Dr. von Schuschnigg as saying that His Majesty's Government approved of his policy towards Austria and Czechoslovakia. I learned this first from Herr Hornbostel (the Political Director) at a party given that evening by Dr. and Frau Schmidt in the Hofburg, the old Imperial Palace. (I fancy that many of the guests, as they sat at the long candle-lit dinner-tables, listening to the Strauss waltzes softly played by the musicians in the gallery, or walked about the tapestried rooms which were once the apartments of Maria Theresa, feared that it was a rapidly vanishing Austria by which they were being so brilliantly entertained). After telling me this piece of news, Herr Hornbostel led me to the Chancellor, who confirmed it and added the other statement I have quoted: though depressed, he did not seem discouraged, and evidently considered that he could not have acted otherwise and had gained at any rate breathing-space. He did not refer to the question of the time-limit, and I am inclined to believe that this matter has been given an unduly dramatic significance by the newspapers. It constituted

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[6] Cf. *D.G.F.P.*, Series D, vol. i, Editors' Note on p. 520.

[7] See No. 516.

of course an additional turn of the screw, but acceptance was, I believe, a foregone conclusion once Dr. von Schuschnigg had left Berchtesgaden. As I had the honour to report, the question was not put squarely to Signor Mussolini as to whether or not the Austrian Government should accept Herr Hitler's conditions; he was merely told that Dr. von Schuschnigg felt bound to give way, to which he replied that he approved his action. I was at first under the impression that it was owing to one of Dr. Schmidt's machinations that the direct question was not put, but I now learn that the Chancellor himself did not wish it to be done. It is repugnant to him, as a South Tyrolese, to seek Italy's help, and in any case he held the view that she was now too much committed to Germany to give it. Moreover, he complained to the French Minister that everything which he said in Rome was at once repeated to Berlin. Monsieur Puaux believes, however, that he has now convinced him of the desirability of seeking an interview with the Duce at an early date, of explaining to him exactly what passed at Obersalzberg, and of learning from his own lips what Italy's attitude will be in the event of a repetition of German blackmail. As I had the honour to report to you, the French Minister was convinced that Signor Mussolini had not been told the full story of the meeting; he would be unlikely to learn it from Berlin, and the Italian Minister here had received an account of it only from Dr. Schmidt, who no doubt minimised its significance, just as he minimised its dangers when announcing to me that it was to take place. I took him to task a few days later for his misplaced optimism, which I said had surprised me at the time; to which he replied, very unconvincingly, that he had seen no object in letting me know how pessimistic he really felt. From the flattery which he has been good enough to bestow on me since the meeting I think it probable that he realises my lack of confidence in him. It seems that he has been aware for some little time of the possibility of his advancement to be Minister for Foreign Affairs, for he announced to Madame Puaux that something very agreeable was about to happen to him. (You will remember too that he spoke to me some time ago of the possibility of the inclusion of Herr Seyss-Inquart in the Cabinet—see my despatch No. 33 of the 29th January).[8] He is a person of whom I have the profoundest distrust, both by instinct and by reason. This is shared by many of his compatriots, in whose eyes his advancement to the post of Minister for Foreign Affairs at the instigation of Germany is a very black mark. I see from your despatches Nos. 58[8] and 60[8] of the 17th February (which have just reached me by bag) that the Austrian Minister in London and his staff are at no pains to conceal the similar views which they hold.

11. On the morning of the 15th February the French Minister came to see me and gave me the fullest account which I had yet heard of the Obersalzberg meeting—an account which he had had from the Chancellor himself. I should here like to emphasise my very great indebtedness to my French colleague, who is a personal friend from Bucharest days. The length of his stay here and his straightforward and sincere character have given him an exceptional position in Vienna, and I believe that there is no foreign representative with

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[8] Not printed.

whom the Chancellor speaks so freely. I have been careful to keep in constant touch with him during the past week and have thereby been very greatly assisted in my attempts to give you a correct picture of the situation here.

12. I was invited to luncheon that day by the Italian Minister to meet Dr. Schmidt, who arrived an hour late from the discussions which were preceding the final acceptance of Herr Hitler's conditions. I had a short conversation with him after luncheon; he admitted that an answer had to be sent to Herr Hitler that evening, but demurred to my use of the word ultimatum, and said that he did not regret the meeting, as the situation would have been worse without it. At the same time, such methods of extorting concessions must not, he said, be used again.

13. On returning to the Legation after luncheon I found your telegram No. 5[9] (received by telephone), instructing me to ascertain from the Chancellor whether Herr Seyss-Inquart could not be appointed Minister of the Interior without command over the Police, and authorising me to tell him of your enquiries in Berlin. I saw Dr. von Schuschnigg (in the presence of Dr. Schmidt) at 6.0 p.m. that evening. As you are aware, he was unable to make the compromise arrangement you suggested, but he expressed sincere gratification at the interest in Austria shown by your message, and said that it would be of the greatest help if you could use firm language in Berlin to convince the Führer that His Majesty's Government took an active interest in Austria's independence. (This shows how far he is from accepting the German view that the future of Austria is a German 'family affair' in which no other Powers can be allowed to interfere). He expressed optimism as to the immediate future, and reminded me that the Government of this country was in his hands and his alone. At the same time, if the present experiment—which he admitted was a dangerous one—failed, and if Germany were allowed to repeat her bullying tactics, it would, he declared, be the end of Vienna, of Prague, and, he believed, of Budapest too.

14. This interview had a curious sequel. At Berlin, after dinner the next evening, His Majesty's Ambassador was reproached first by Baron von Neurath and then by the Chancellor himself for an alleged attempt by His Majesty's Government to upset the agreement with Dr. von Schuschnigg by advising the latter not to sign it.[10] I have little doubt that Dr. Schmidt communicated to Herr von Papen my conversation with the Austrian Chancellor; he may have deliberately distorted it in so doing, or my German colleague may have deliberately exaggerated the importance of my *démarche* in order to excuse his failure to wring more concessions out of Dr. von Schuschnigg; these are questions which I have not yet been able to solve. In any case, the French Minister thinks that the step which you instructed me to make was of considerable value in encouraging Dr. von Schuschnigg to stand out against the further demands which Herr von Papen was pressing on him up to the last moment.

15. On the 16th February I attended a farewell luncheon at the Ballhausplatz given by President Miklas in honour of Herr von Papen, who

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[9] No. 518.

[10] See No. 526.

had taken the opportunity on the previous evening of making a most uncalled-for political speech at a commercial meeting, in which he exultantly declared (with, I fear, every justification) that the discussions of the 12th February would constitute a further milestone in the history of the German question—i.e. of the relations between the two German-speaking peoples. Dr. Schmidt was present at this luncheon, and I was obliged to congratulate him, much against my will, on his promotion. He affected to make light of it, saying that it would make no difference, as he would continue to work entirely under the instructions of the Chancellor. He spoke optimistically of the future and seemed convinced that a stretch of smooth water lay ahead. This optimism is, I know, shared by the Chancellor. He does not, of course, suppose that Austria's situation is not very precarious, but he is convinced that his minimum concessions have at any rate removed the pressing dangers and that he will be able to steer his difficult course so long as he is left in peace.

16. The last few days have been occupied with the elaboration of the different measures necessitated by the new agreement. Herr Seyss-Inquart's appointment as Minister of the Interior and Public Security was followed immediately by his departure for Berlin, where he was received by Herr Hitler. This was ominous, but his journey was undertaken with the approval of Dr. von Schuschnigg, and it is to be hoped that there will be no surprises now that he has returned. The Austrian Police were, I am told, much incensed by his addressing them as 'German Police' on his first inspection; but this may have no significance, as I understand that Dr. von Schuschnigg himself is anxious that his new Minister should not appear too 'Austrian' in the watchful eyes of Germany. The re-modelling of the Cabinet (a full list of which was given in my telegram No. 11 Saving of the 16th February[8]) gave Dr. von Schuschnigg a chance of including a representative of the Workers in Herr Watzek as State Secretary for Labour.

17. The amnesty for all political offenders, of whatever shade, has been proclaimed and put into effect; the restoration of pensions, etc. is being carried out; and the re-organisation of the Patriotic Front to include on an equal footing Nazis, Workers and Legitimists is being planned. I understand that the right of public meeting will be drastically curtailed for all three sections—'parties' they must not be called, for the Chancellor absolutely declined to recognise the Nazi Party as such. He was greatly encouraged by the attitude of the Workers: there were threats of strikes in several factories when the result of the Obersalzberg meeting was first announced; and later the leaders of the Austrian employees' organisation passed a strong resolution assuring Dr. von Schuschnigg of their support and declaring that the workmen of Austria were for peace, but not at any price. The Chancellor feels in fact that if it were practicable to hold a plebiscite at the present moment in Austria, free from outside influence, he would be sure of a large majority; but of course such an idea is impossible to carry out. For the moment one can only wait to see the actual effect in Austria of the new arrangements during the months of outward calm which we may, I think, hope to experience. The news of the agreement was received here with the gravest misgivings, and

there was something like a panic among the Jewish residents. The first impression was that of *The Times*—'Finis Austriae'[11]—but after the first moments of depression it began to be realised that things were not so bad as they might have been, and I think the general feeling is one of confidence in the Chancellor's ability to face the dangers of the situation and to restrict the value of the concessions which he has been forced to make. Various rumours were current, one of the most persistent being that Dr. Kienböck was to leave his post of President of the National Bank; but this was most emphatically denied on two occasions by Dr. Schmidt, who told me on the second occasion that Dr. Kienböck was a national emblem who would no more be removed than would the doors of the Ministry.

18. I must apologise for the length of this despatch. It contains, I fear, nothing beyond what you already, Sir, know from my telegrams; but it will perhaps be convenient to have a connected narrative as a record of recent events. Before closing it I should like to express my indebtedness to Mr. Mack. My task as a newcomer here would be infinitely more difficult if I were not able to rely on the knowledge and experience which he has acquired during his residence in Vienna.

19. I am submitting my comments on the general situation in another despatch.

I have, etc.,
MICHAEL PALAIRET

[11] Cf. *The Times*, February 15, 1938, p. 14.

No. 570

Sir E. Phipps (Paris) to Viscount Halifax[1] *(Received February 21, 10 a.m.)*

No. 60 Telegraphic [*C 1193/13/17*]

Immediate PARIS, *February 21, 1938*

Your telegram unnumbered of last night.[2]

Following for the Prime Minister.

I gave your message last night to M. Chautemps who thanks you warmly.

He fears that Mr. Eden's resignation, coming so soon after Herr Hitler's Austrian coup and just after the Reichstag speech,[3] will be regarded as a victory for Germany and Italy. It will also have a very unfortunate effect in France and will, he thinks, lead to a change of Government.

M. Chautemps feels it will be now necessary to form a government (whether led by himself or another he did not say) on a broad basis, but not including Communists, in order to bring about longer hours of work and cessation of press attacks on Herr Hitler whose threatening language on that point has clearly alarmed M. Chautemps.

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[1] Lord Halifax was acting as Foreign Secretary following Mr. Eden's resignation. His appointment as Secretary of State for Foreign Affairs was announced on February 25 and dated from March 1, 1938. Mr. R. A. Butler was appointed Parliamentary Under Secretary of State for Foreign Affairs in succession to Lord Cranborne, who resigned with Mr. Eden.

[2] No. 566.

[3] See No. 567.

M. Chautemps assured me however that the necessary increase of military credits would undoubtedly be voted her [?here].

President of the Council fears that Herr Hitler means to send ever larger stocks of arms and ammunition to Spain in order to crush the government forces.

M. Chautemps told me that he had been reproached a few days ago by Soviet Ambassador for treating Russians 'like poor relations'. He replied that they were not poor but dangerous and the French Government could never show Soviet Government the same implicit confidence that they showed to His Majesty's Government. He assured Soviet Ambassador however that France would loyally fulfil her Treaty obligations towards Russia, and with this Soviet Ambassador seemed satisfied. He had not pressed for staff talk or for a military alliance.

I feel sure that anything you can say in Parliament today of a nature friendly to France will be most warmly appreciated here.

No. 571

Sir N. Henderson (Berlin) to Viscount Halifax (Received February 21, 12.25 p.m.)

No. 61 Telegraphic [*C 1198/42/18*]

Immediate BERLIN, *February 21, 1938, 12.20 p.m.*

My immediately preceding telegram.[1]

I thought it expedient to give a hint to Minister for Foreign Affairs this morning that in view of resignation of Secretary of State and pending appointment of his successor, I might be unable to avail myself of appointment which the Chancellor might fix for me.

Herr von Ribbentrop replied that he fully understood position and would keep question of appointment in suspense until he heard further from me.

In these circumstances I submit it would probably be best, and in any case do no harm, to defer my conversation with Herr Hitler until he returns to Berlin in about ten days time.

[1] In this telegram No. 60, despatched from Berlin at 11.32 a.m. on February 21, Sir N. Henderson wrote: 'I understand that Chancellor will be leaving Berlin on February 23rd and returning here again next week.'

No. 572

Sir N. Henderson (Berlin) to Viscount Halifax (Received February 23, 11 a.m.)

No. 55 Saving: Telegraphic [*C 1259/42/18*]

BERLIN, *February 21, 1938*

The Press has been instructed not to comment on Mr. Eden's resignation at all events until situation in London is clearer. But there is strong under-current of satisfaction on the grounds that he is believed here to be an implacable enemy to Anglo-German understanding.

The *Deutsche diplomatisch-politische Korrespondenz*, which is not published in the press, says that Mr. Eden's resignation may help to clarify the European situation. The commentary recalls the circumstances in which he became Foreign Secretary and says that he has since then remained true to his principles. His policy based on the League has taken no account of realities and has actually prejudiced the prospects of understanding in many spheres.

No. 573

Viscount Halifax to the Earl of Perth (Rome)

No. 236[1] [*R 1610/23/22*]

FOREIGN OFFICE, *February 21, 1938*

My Lord,

The Prime Minister asked Count Grandi to come and call at No. 10 Downing Street on 18th February when a conversation took place on the European situation in general and Anglo-Italian conversations in particular. The Prime Minister began by remarking upon the anxious international situation with which we were faced. Austria was the most recent development. Count Grandi indicated that he regretted what had happened in that country. The Prime Minister continued that he wished to be absolutely frank: that many people were saying that there was some agreement between Germany and Italy in the matter. The Ambassador assured the Prime Minister that there was none. Italy had indeed, been expecting this to happen—it had not in that sense come as a surprise to them, but it was not the result of an agreement. Count Grandi thought it remarkable that during the past three years since Stresa[2] Signor Mussolini had been able to preserve the integrity of events in Austria, despite the divergence of views on other matters between this country and France on the one hand and his country on the other. Now, when the event had occurred, there was nothing to be done owing to the state of relations between the Stresa Powers.

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[1] The first eleven paragraphs of this despatch give Mr. Eden's record of the conversation between himself, Mr. Chamberlain, and Count Grandi at 10, Downing Street on February 18, 1938, based on his account to the Cabinet on February 19: see Appendix II to this Volume, note 13. The first version of this record included, however, a paragraph 10 (following the present paragraph 9) which was omitted in the final draft: see note 9 below. It was later decided to add to this despatch an account of the conversation on February 21 in which Mr. Chamberlain, Lord Halifax (as acting Foreign Secretary), Sir A. Cadogan, and Count Grandi took part, following Mr. Eden's resignation on February 20. Count Grandi's own account of the conversation of February 18 is printed in *Ciano's Diplomatic Papers*, *op. cit.*, pp. 164–84. For Mr. Eden's comment on this conversation see *Facing the Dictators*, p. 580–84 and Appendix C.

2. On the Prime Minister suggesting that all was not yet lost in Austria, Count Grandi said that possibly we were only at the end of the third act of four. In the view of Italy, however, Germany was now at the Brenner. It was impossible for Italy to be left alone in the world with two great potential enemies—Germany and Great Britain.

3. Count Grandi gave a detailed account of Anglo-Italian relations since Stresa and emphasised particularly that the post-sanctions period had been worse than the sanctions period itself. Disappointments had further poisoned the atmosphere. After the Gentlemen's Agreement of a year ago[3] the hopes then maintained were not fulfilled. After the July exchange of letters between Signor Mussolini and Mr. Chamberlain,[4] there had been a happy fortnight which had again been marred by events in the Mediterranean.[5] Now the Italian Government were asking themselves whether His Majesty's Government really meant to open conversations.

4. The Prime Minister then drew Count Grandi's attention to a phrase used by Count Ciano and reported by Your Lordship in your telegram No. 73,[6] to the effect that an early start should be made with Anglo-Italian conversations, in view of the possibility of certain future happenings. The Prime Minister also mentioned that he had received a message from Lady Chamberlain reporting a conversation in which Count Ciano had used very similar language to her.[7] He had urged the earliest openings of conversations, adding 'things are happening in Europe which will make it impossible tomorrow'. The Prime Minister asked Count Grandi whether he could throw any light on these phrases. Count Grandi replied that he had explained that Italy could not in present conditions visualise the possibility of both Germany and Great Britain being hostile to her. If it was impossible to improve relations with Great Britain, then it would be necessary for Italy to draw still closer to Germany. The decision would then be final. It was not final yet, but there was very little time left.

5. In reply to further questions, Count Grandi explained that in view of the Italian Government the conversations should include everything and we could both raise any subject that we desired. He also explained that the Italian Government desired that the conversations should take place in Rome because it had originally been the intention that they should take place in that capital, last September. The Prime Minister explained that he did not think any final decision in that sense had been taken and explained that in his mind he thought it would be possible for progress to be made between Count

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[2] The Stresa Conference sat from April 11 to 14, 1935: see Volume XII, No. 722.

[3] See Volume XVII, No. 530.

[4] See Nos. 65 and 81.

[5] Cf. No. 94.

[6] No. 538.

[7] See No. 543.

Grandi and myself in London and that at the final stage Count Ciano might have been brought in by a visit to London. Count Grandi explained that these were very delicate matters, but that he thought that Count Ciano would wish to be in the conversations from the beginning, as had originally been intended. He therefore did not think it would be possible for conversations to be held with the best chance of success anywhere but in Rome.

6. Count Grandi was then asked what effect the opening of conversations might have on the Italian attitude towards Austria. Count Grandi replied that it was difficult for him to answer that except to say that it would give his people more courage. On being asked whether the Italian Government could now exchange views with the other Stresa signatories on the subject of Austria, the Ambassador made it clear that his Government would not be able to do that—indeed, he said he had no instructions at all to mention Austria.

7. The conversation then turned to the Spanish problem. Count Grandi was asked whether he was yet in a position to give the reply of his Government on the subject of the formula for the withdrawal of volunteers from Spain which had been proposed to him ten days ago.[8] The Ambassador replied that he was afraid that he had perhaps been a little optimistic in his conversation with me about the formula proposed. His Government had now instructed him to ask for certain clarifications. Perhaps he could explain these to me or Lord Plymouth in the near future. The Ambassador appeared to indicate, however, that if conversations could be opened these difficulties would not be serious.

8. As to the Spanish question generally, Count Grandi maintained that it would be a mistake to hold up progress in Anglo-Italian conversations on account of a question in which others were involved besides ourselves. It would be hardly possible to maintain that the development of Anglo-Italian relations must depend on other nations agreeing with us about the withdrawal of volunteers.

9. At the conclusion of the conversation, the Prime Minister asked Count Grandi to return at 3 o'clock, explaining that he wished in the interval to have an opportunity to talk over the situation with me.[9]

10. When he called again at 3 p.m. Count Grandi was informed by the Prime Minister that he proposed to consult his colleagues on the outcome of the conversations which had taken place between us and that he would see Count Grandi again on February 21st to give him the considered view of His Majesty's Government.

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[8] See No. 505.

[9] See note 1. The following paragraph was included by Mr. Eden at this point in the first, and omitted from the final, version of this despatch.

'10. The Prime Minister then explained to me that in his view the right course to pursue now was to tell Count Grandi when he came at 3 p.m. that we were willing to open conversations in Rome and that Lord Perth would be sent for back to London in order that he might receive his instructions to enable him to represent His Majesty's Government in these conversations. Since I felt unable to agree to that course, the Prime Minister was good enough to agree to call a Cabinet for Saturday afternoon.'

11. Meanwhile the Prime Minister and I[10] had agreed that it would be desirable if we could at the second interview obtain some clarification of the Italian Government's attitude towards out [our] proposed formula for the withdrawal of volunteers. At the second interview the Prime Minister therefore told Count Grandi that he had understood from the conversation of the morning that the Italian Government would be in a position to accept our proposals in respect of the withdrawal of volunteers if conversations were opened at once. Count Grandi explained that he did not think that he had made himself quite clear. The formula I had proposed to him was a very difficult one for the Italian Government to accept. Indeed in its present form it seemed to be a trap. He had, as he had told us in the morning, been over-optimistic perhaps in his conversation with me. Nonetheless the Italian Government wished to make progress and he was wondering whether the best course would not be to leave the question of what constituted a substantial withdrawal to be settled by the commissions in Spain in conjunction with the two parties. It would not be possible for the Italian Government to accept a formula which would have the appearance of letting down General Franco. It was explained to Count Grandi that the whole purpose of the formula was to avoid that. Since it was maintained by the partisans of each side in Spain that the number of volunteers was larger on their opponent's side, it was difficult to see how such an impression could be created. Count Grandi eventually said that he would consult his Government further on this question.

12. The Prime Minister, with Lord Halifax, received the Italian Ambassador again this morning[11] at 11 o'clock. Sir Alexander Cadogan was also present.[12]

13. Count Grandi produced the annexed typewritten message[13] which he handed to the Prime Minister. The latter enquired whether he was right in understanding that this indicated Italian acceptance of the British formula for the withdrawal of volunteers from Spain. Count Grandi confirmed that this was the fact, and at the Prime Minister's request wrote in after the word 'acceptance' the phrase 'of the British formula concerning the withdrawal of foreign volunteers and granting of belligerent rights'. The Prime Minister said that this appeared to him very satisfactory and he hoped that this communication was in the nature of a gesture indicative of the goodwill with which Italy proposed to enter into a negotiation with His Majesty's Government.

14. The Prime Minister asked whether Count Grandi had received this message before the resignation of the Foreign Secretary and Count Grandi replied that he had, that it had reached him yesterday (February 20th) morning early.

15. The Prime Minister said that in these circumstances he proposed to announce forthwith that negotiations were to be entered upon between His Majesty's Government and the Italian Government for a general settlement

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[10] i.e. Mr. Eden.

[11] i.e. February 21.

[12] He had not been present at the meetings on February 18: see Cadogan, *op. cit.*, p. 50.

[13] See Annex to this document.

of all questions at issue. He must warn Count Grandi that in the House of Commons some opposition would very likely be encountered, but that would not deter His Majesty's Government and he hoped that it would not be misunderstood in Italy. He wished at once to make it clear—and he would have to make this clear in Parliament—that any agreement reached must deal with Spain. A settlement of the Spanish question would be an essential part of any general agreement which His Majesty's Government could contemplate. He would make one further point, and that was that His Majesty's Government were a loyal Member of the League. If the general agreement should provide for recognition on our part of the Italian position in Ethiopia, we should desire that our attitude in that matter should be regularised, and we should have to go to the League and try to obtain authority for our action from the League. Our success in that would obviously be problematical unless it could be established that during the negotiations the situation would not be prejudiced by Italian action either in sending fresh forces to Spain or in not withdrawing the volunteers who were already there.

16. Count Grandi said that he fully understood and accepted what the Prime Minister had said. The negotiation must be entered upon in a spirit of reciprocal good faith which must be followed by acts. His Government had never refused to include the Spanish question in the negotiation. For some months now the attitude of his Government had remained unchanged: they were anxious for an agreement, an agreement which must be complete and which must include all points at issue. The Italian Government were anxious that His Majesty's Government should recognise their position in Ethiopia, but they fully realised that that could only come about as part of a general appeasement.

17. The Prime Minister then referred to the question of Austria, which had been mentioned at the previous interview on February 18th. He observed that it was not only what had happened in Austria which had gravely disturbed public opinion but it was also the method which had been employed that had aroused apprehension in neighbouring countries and had led to the fear that this procedure might be repeated. The Prime Minister had hoped that Signor Mussolini might have been able to exert the influence which he possessed in Berlin to arrest further consequences of this nature.

18. Count Grandi said that he could only repeat what he had said at the last interview, namely, that if the Italian Government were assured of wholehearted agreement and restoration of good relations with Great Britain, they would be in a stronger position to exert a restraining influence in Berlin. If only agreement had been reached with us before these happenings, the attitude of the Italian Government would undoubtedly have been different. Without an agreement with us and in the circumstances of today, it was impossible for Italy to do more than she had done. She could not risk facing two enemies at once, ourselves in the Mediterranean and Germany on the continent.

19. The Prime Minister asked what reaction the announcement of Anglo-Italian negotiations would be likely to have on the German Govern-

ment. Count Grandi replied that he was sure that the German Government would have no objection and no apprehensions. He would say quite frankly that owing to their geographical situation and to the similarity up to a certain point of the two régimes in Germany and Italy, there was a natural affinity between the two countries. Both Governments were determined to maintain their friendly relations. There existed no commitment, either political or military, between them, but they were bound together in sympathy, and he would frankly say that agreement with Great Britain would bring about no essential change in the relations beween Germany and Italy. The conception of his Government had always been that if there were friendship and confidence between Great Britain and Italy they might, as he put it, 'equilibriate Europe'. Great Britain would be able to exercise a restraining influence upon France and Italian Government would be able to perform the same office in Berlin: the Four Power Pact[14] had gone the way of all formul[ae], but in the view of his Government the truth of it subsisted, namely, that only good relations between the Four Powers could keep the peace in Europe. He added that on their side the Italian Government had welcomed Lord Halifax' visit to Berlin[15] and hoped for better Anglo-German relations.

20. I have sent copies of this despatch to His Majesty's Representatives at Berlin, Paris and Vienna.

I am, etc.,
(For the Secretary of State)
E. M. B. INGRAM

ANNEX TO NO. 573

Note by Count Grandi

ITALIAN EMBASSY, *February 21, 1938*

The Italian Ambassador informs the Prime Minister that he has submitted to the Italian Government the proposals suggested at their meeting of last Friday and is glad to convey to him the Italian Government's acceptance of the British formula concerning the withdrawal of foreign volunteers and granting of belligerent rights.

GRANDI

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[14] Signor Mussolini proposed on March 18, 1933, a Four Power pact in which Britain, France, Germany and Italy should coordinate their policies in a wide range of international issues. The pact in a very much watered-down form was signed in Rome on June 7, 1933. See Volume V, No. 204.

[15] See No. 336.

No. 574

Letter from Sir N. Henderson (Berlin) to Sir A. Cadogan

[C 1237/42/18]

Strictly Personal BERLIN, *February 21, 1938*

My dear Alec,

Your letter to me of February 17th[1] regarding Fleet Street rumours to effect that I have been expressing myself in favour of an Austro-German union.

I have always believed that union in some form or another to be inevitable but I simply hate the thought of it. Is it likely that I should express myself in favour of it? That I have never done, as indeed once before I explained to the Foreign Office.[2]

So far from recommending the Anschluss I have been in the past week reproached for opposing it, firstly by Goering who said 'But Lord Halifax told us so and so',[3] and secondly by Ribbentrop who said, 'But Mr. Eden in the last conversation I had with him in London not only told me that he was not interested but that he disinterested himself in Austria'.[4]

What can one do with people of such inventive minds? I can only suggest that the line the Foreign Office might reasonably take with Fleet Street as regards the stories about me should be that they are just as grotesque as most of the other press rumours of the past fortnight. Just as to the Germans I can take the line that their stories about Eden, Halifax etc. are just as fantastic as the B.B.C.'s fabrications to which they take exception.

It is exceedingly tiresome and I am sorry you should be bothered by such gossip. I know that it started with the American journalists here who I believe actually telegraphed to the United States that, acting under the instructions of His Majesty's Government, I advised Hitler to go ahead, presumably to clear the way for Anglo-German negotiations.

Yours ever,
NEVILE HENDERSON

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[1] No. 547.

[2] Cf. Nos. 301, 319, and No. 614, note 3 below.

[3] Cf. Nos. 517, 540, and 548.

[4] Cf. No. 360.

No. 575

The Earl of Perth (Rome) to Viscount Halifax (Received February 23, 9.30 a.m.)

No. 83 Telegraphic [R 1701/23/22]

ROME, *February 22, 1938, 11 p.m.*

My telegram No. 82.[1]

1. I saw Count Ciano this morning and said that I had been summoned

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[1] In this telegram of February 21 Lord Perth referred to a personal telegram, No. 31 of even date from the Prime Minister, asking him to return to London immediately for consultation.

back to London for consultations; although I had no instructions I felt it desirable to see him before my departure, Had he any special points about conversations which he wished me to make when I got home?

2. Count Ciano thought a little and said that he did not think there was anything in particular on Italian side. He assumed points we had raised for previous agenda would be discussed and also naturally that of *de jure* recognition. Perhaps too we should wish for inclusion of further subjects.

3. I said that I was talking purely personally but it seemed to me that we should in any event wish to discuss certain Red Sea questions; Count Ciano agreed. Libya garrison; again Minister for Foreign Affairs assented, and of course propaganda. On latter point Count Ciano remarked that this was a matter largely of psychology and confidence; if there had been anti-British propaganda by wireless etc., this could easily be turned into pro-British. I observed that in one of the conversations some mention had been of economics. Had Italian Government any particular economic question in mind?

4. Minister for Foreign Affairs said No. Word economics had only been used very generally by Signor Mussolini to show that he was prepared to talk over anything we wished. As regards Spain that he considered must remain within purview of Non-Intervention Committee and should not form part of agenda here.[2] He said that probably we should also want to talk about relations of Italian Empire to adjacent parts of our Empire. I asked whether he meant frontiers. He said no, that would take far too long and might go on for months. It was a matter for commissions and experts. But he had in mind something like a declaration of bon voisinage in order to provide solution of any temporary difficulties which might arise during final definition of frontiers, etc.

5. He remarked that he thought best plan of beginning conversations might be to take Mediterranean declarations[3] as starting point, to confirm

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He replied that he was postponing his departure until Wednesday morning (February 23) 'since I consider it very desirable that I should see Count Ciano before I leave. I trust you will approve'.

[2] This point alone of Count Ciano's comments caused any considerable discussion in the Foreign Office. Sir G. Mounsey thought that Lord Perth would perhaps be able to elucidate Count Ciano's precise meaning. But H.M.G. would have to decide for itself whether 'to wait until the new formula for withdrawal has been carried out to the letter . . . [or] to be satisfied with evidence of Italian good-will and active co-operation in carrying it out' (February 25). Sir A. Cadogan wrote: 'It is because the cooperation of others is necessary, that the question of withdrawal must, I suppose, continue to be discussed in and directed by the Non-Intervention Cttee. As to the point at which we shall be satisfied that Italy has sufficiently played her part, that must depend on so many things. If the procedure works smoothly, and all seem to be playing honestly, it may not be necessary to wait until Italy's contribution is complete to the last man. If the Russians, or the French, don't play at all, that may wreck everything. Though even in that case Italy, if she really wants an agreement with us, may at least start withdrawal and we should have to decide whether this was genuine. And there may be any number of gradations in between. I'm afraid we can't lay down hard and fast rules now. A.C. Feb. 27. 1938.' The minutes were initialled by Lord Halifax on February 28.

[3] See Volume XVII, No. 530.

them and status quo in Mediterranean, and then to examine any further subjects which might be held to arise out of additional questions.

6. This was however only a tentative suggestion on his part.

7. Lastly he asked me if I had any idea as to how results of conversations success of which incidentally he took for granted should be recorded. He did not think that a further 'gentleman's agreement' would be satisfactory and he suggested that what might be best would be that results of discussions on each particular point should be embodied in *procès-verbaux*. This was method which he had pursued in conversations at Berlin and had given excellent results.

8. He said that he had had a telegram from Signor Grandi in which latter had told him that I was to inform him officially of readiness of His Majesty's Government to start conversations before I left for London. I replied that I had no instructions to that effect but I thought Prime Minister's speech[4] had made position very clear.

9. Finally we both agreed that conversations to be successful should start in an atmosphere of mutual confidence and goodwill and not in one of suspicion.

[4] Cf. No. 576, note 1 below.

No. 576

The Earl of Perth (Rome) to Viscount Halifax
(Received February 23, 9.30 a.m.)

No. 86 Telegraphic [*R 1702/23/22*]

ROME, *February 22, 1938, 11 p.m.*

Italian correspondents in London have sent long messages describing yesterday's sitting of the House[1] and good summaries of the two principal speeches are given as well as indications of the others and long press extracts especially from the *Times*. Prime Minister's speech is warmly approved and he is reported as having demolished the case put forward by his late colleague. There are no editorial comments as yet except for one or two more or less humorous notes in minor papers but headlines show great satisfaction and relief that tension is relaxed and conversations imminent. Difference between Prime Minister and Mr. Eden is more profoundly emphasised today and *Tribuna* correspondent reports conservative press as saying that Mr. Eden, however sincere, was in fact the victim of an anti-Italian prejudice. Correspondents all report outcry by Opposition and threats of trouble but they say that crisis is over.

[1] Mr. Eden addressed the House of Commons at 3.49 p.m. on February 21. His personal explanation of his resignation was followed by that of Lord Cranborne at 4.17 p.m. In the following adjournment debate Mr. Chamberlain made a speech giving the Government's attitude to the resignation and to the proposed Anglo-Italian conversations. See 332 *H.C. Deb.* *5 s.*, cols. 45–64. The House adjourned just before 11 p.m. On the following day there was a debate on a motion of censure deploring the circumstances of Mr. Eden's resignation. Mr. Chamberlain replied for the Government. The motion was defeated by 330 to 168 votes. See *ibid.*, cols. 209–322.

Stampa correspondent says there will be much discussion in England for a while as to who is right, Prime Minister or Mr. Eden, but that the people will judge by results.

No. 577

Letter from Mr. N. Law to Sir O. Sargent

[*R 1870/23/22*]

February 22, 1938

My dear Moley

The feeling in the City today is very much the same as it was yesterday. About 80 per cent to 85 per cent are supporters of Mr. Eden and last night's debate has served to strengthen their views.[1] Those in favour of Mr. Eden take their stand on the broad ground of the importance of not showing weakness in face of the dictators.

2. Many of the supporters of Mr. Chamberlain take the view that as Mr. Eden's personality was antipathetic to Hitler and to Mussolini, his disappearance removes a serious obstacle to agreement with their countries. Others, curiously enough, explain the support which Mr. Eden has received from those who have some knowledge of foreign affairs, to the charm which he exercises over all those with whom he comes in contact. But of course the chief reason why Mr. Chamberlain receives some support is the fact that, except for Lord Cranbourne [*sic*], no other member of the Cabinet has resigned.

3. The City's interest in the political crisis will however not be of long duration, unless of course the negotiations with Italy take an awkward turn. In such a case you may anticipate a sudden and violent wave of distrust for this new method of conducting the foreign affairs of the country.

4. Today the press has begun talking about a loan to Italy. At present it is extremely doubtful if such a loan, even if guaranteed as to principle [*sic*] and interest by the British Government, would receive any support from reputable City houses.

5. I have tried to write to you with a moderation which I am far from feeling myself. But at the same time it would be unfair to you not to let you know that I have found a number of the younger men who share my own view that in allowing Mr. Eden to become the Delcassé[2] of the totalitarian powers, the danger of war has been brought very much closer, and that the prestige of this country has now been brought lower in the eyes of Europe and the United States than at any other time since the War.

Yours ever,
NIGEL

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[1] A marginal comment by Sir A. Cadogan here read: 'This surprises me. A.C. Feb. 24/2/38.'

[2] M. Delcassé resigned as French Foreign Minister in June 1905 over disagreement with his colleagues concerning policy towards Germany during the Moroccan crisis.

No. 578

Viscount Halifax to Sir E. Phipps (Paris)

No. 42 Telegraphic: by telephone [*R 1696/23/22*]

FOREIGN OFFICE, *February 23, 1938, 2.15 p.m.*

Following from Lord Halifax:

The French Ambassador called on me yesterday and said that Monsieur Delbos wished to have the fullest information as to the attitude of His Majesty's Government to the proposed Anglo-Italian conversations. Monsieur Delbos feared he might be asked by the Foreign Affairs Committee yesterday afternoon whether or not the French Government had been informed in advance of His Majesty's Government's decision. He had been disturbed to find that they had not in fact been consulted; but he did not wish to have to give a negative reply. I suggested he might reply with a reference to the discussions at the meeting between French and British Ministers some weeks ago[1] and to the further discussions that Mr. Eden had recently had with Monsieur Delbos at Geneva[2] when both Governments had found themselves in complete accord in regard to the general policy to be pursued.

Furthermore, in the last few days assurances of continued co-operation with the French Government had been given by His Majesty's Government, first in the Prime Minister's message to Monsieur Delbos[3] and secondly in his repetition of its substance in the House of Commons the night before.[4] Could not Monsieur Delbos therefore say that, having had previous discussions on general policy and having received the assurances above mentioned, the French Government had not thought it necessary to question His Majesty's Government on a matter which they recognised as being within the latter's sole discretion, namely the precise moment at which conversations should be held?

Monsieur Corbin seemed to welcome this suggestion, and added that it would much assist him if he were able to say that the French Government had received full information from His Majesty's Government as to what had passed between the latter and the Italian Ambassador. I told him I had really nothing to add to what the Prime Minister had announced the night before in the House of Commons, namely that the Italian Government had declared themselves willing to accept without reserve the British proposal for the withdrawal of Italian volunteers from Spain and the concurrent granting of belligerent rights. Mr. Chamberlain had further explained to Count Grandi that a settlement of the Spanish question was regarded by His Majesty's Government as an essential feature of the conversations. He had also explained that any agreement including the recognition of the Italian conquest of Ethiopia must be referred to the League and that we could not ask the League to approve any agreement made if Italian acceptance of our formula was in fact being vitiated by the failure to withdraw existing volunteers from Spain or by the despatch of more volunteers to Spain. I added, in response to a further enquiry by Monsieur Corbin, that Count Grandi had been speaking not for himself but on behalf of his Government. Monsieur Corbin thanked me and appeared satisfied with my explanations.[5]

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[1] See No. 354.

[2] See Nos. 473 and 481.

[3] See No. 566.

[4] See No. 576, note 1.

Despatch follows by bag tonight.[6]

Repeated to Rome No. 32 and Berlin No. 46.

[5] For M. Corbin's account of this interview see *D.D.F.*, *op. cit.*, No. 231.

[6] Not printed.

No. 579

Viscount Halifax to Mr. Palairet (Vienna)

No. 19 Telegraphic [*R 1559/137/3*]

FOREIGN OFFICE, *February 23, 1938, 7.5 p.m.*

Your telegrams Nos. 32[1] and 33.[2]

While there is every sympathy here with the Chancellor in the ordeal which he has undergone, I cannot but feel that there are disadvantages in sending him any message of sympathy whether official or private.

We must now take it for granted that anything said officially in Vienna is to all intents and purposes passed on to Berlin, so that there is a very real danger that any message from His Majesty's Government to the Chancellor would be misconstrued in Berlin as an incitement to Schuschnigg to upset what is already an accomplished fact. At the same time, any words of sympathy, whether conveyed officially or privately, might raise false hopes in Vienna of active British assistance.

For the same reasons I consider it better that Schuschnigg should not know of the instructions given to His Majesty's Ambassador in Berlin in my telegrams to Berlin Nos. 32[3] and 36,[4] before action is taken, though I will consider whether you should inform him of them subsequently.

Repeated to Paris No. 43, Berlin No. 47 and Rome No. 33.

[1] No. 558. [2] No. 559. [3] No. 535. [4] No. 544.

No. 580

Extract from Cabinet Conclusions No. 9(38) of February 23, 1938

[*R 1857/137/3*]

2. By direction of the Prime Minister the Cabinet had before them a Memorandum handed to the Secretary of State for Foreign Affairs on February 18th by the French Ambassador, containing the French Government's proposals as to the action to be taken following the arrangements recently made between the German and Austrian Governments, and asking

to be informed of the views of His Majesty's Government thereon (C.P.44(38)).[1]

As the result of a short discussion the Cabinet agreed

(a) That the Lord President of the Council, acting as Foreign Secretary, should, in consultation with the Prime Minister, draw up a Despatch for communication to the French Government informing them that His Majesty's Government did not differ from their appraisement of the probable ultimate result of Herr Hitler's action, but that they did not agree with their proposals for immediate joint or separate communications on the subject to the German Government, and that he should explain the reasons for this position. He should add that His Majesty's Government would prefer that the matter should be raised by Sir Nevile Henderson in his forthcoming talks with Herr Hitler:

(b) That the Despatch should be so framed as to make the utmost allowance for the susceptibilities of the French Government:[2]

(c) That the Lord President of the Council should also prepare an appropriate instruction to His Majesty's Ambassador in Berlin as to the line he should take in raising this question with Herr Hitler:

(d) That it would be premature to adopt a proposal that was made during the discussion to approach Signor Mussolini with a view to his sending a message to Herr Hitler urging him not to put too much pressure on Austria.

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[1] No. 557.

[2] See No. 592 below.

No. 581

Mr. Palairet (Vienna) to Viscount Halifax (Received February 24, 12.20 p.m.)

No. 40 Telegraphic [*R 1767/137/3*]

VIENNA, *February 24, 1938, 12.10 p.m.*

Undesirable danger of leakage referrred to in your telegram 19[1] makes it impossible for us to have any confidential communication whatever with Austrian government. I can hardly warn the Chancellor of this but please see my letter to Sir O. Sargent which will reach Foreign Office this evening.[2]

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[1] No. 579.

[2] Not printed. Minutes by Mr. Nichols and Sir O. Sargent read: 'Confirms our view. P. Nichols. 25/2.' 'No: he merely acquiesces rather grudgingly in our view. O. G. Sargent. Feb. 25.'

No. 582

Viscount Halifax to Sir R. Lindsay (Washington)

No. 140 Telegraphic [*A 1410/1409/45*]

Important Confidential FOREIGN OFFICE, *February 24, 1938, 3.10 p.m.*

For your own information. Following message, which Prime Minister has since approved, was conveyed verbally to United States Chargé d'Affaires on 21st February for communication to Mr. Hull.[1]

Resignation of Mr. Eden does not imply any change in the ultimate aims and purposes of British foreign policy. Crisis was brought to a head by differences of method and emphasis: in other words it was on tactics and not on strategy that Prime Minister and Foreign Minister had disagreed.

Faced with this situation the Prime Minister and Mr. Eden had recognised quite frankly that they could not continue to work together except at the risk of increasing friction, which, Mr. Hull would no doubt be the first to appreciate, was detrimental to the proper conduct of foreign affairs. In the circumstances it was obviously better to allow the Prime Minister to pursue his aims in his own way.

There was above all no truth whatever in the press rumours to the effect that Great Britain now contemplated the negotiation of an agreement with the dictators at any cost. On the contrary, no agreement of any kind would be entered into with any dictator country unless it was entirely apparent that it was consonant with the principles which had hitherto guided British foreign policy and would result in general appeasement and hence in the preservation of peace.

Mr. Johnson, who said that this message would be immediately transmitted to Mr. Hull was also given the substance of Paris unnumbered telegram of February 20th and of the Prime Minister's reply of the same day, copies of which will be available in the sections.[2]

Repeated to Paris No. 45.

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[1] The message was given by Mr. Gladwyn Jebb, Sir A. Cadogan's Private Secretary, to Mr. Herschel Johnson. Mr. Jebb said that 'Sir Alexander had hoped to see Mr. Johnson himself in order personally to communicate a message for Mr. Cordell Hull on the subject of the resignation of the Foreign Secretary. Unfortunately Sir Alexander had had to spend the afternoon in the House of Commons.'

[2] Nos. 564 and 566.

No. 583

Viscount Chilston (Moscow) to Viscount Halifax
(Received February 24, 3.50 p.m.)

No. 49 Telegraphic [*N 954/954/38*]

MOSCOW, *February 24, 1938, 5.19 p.m.* [*sic*]

First editorial comments of Soviet press on the British Cabinet crisis are contained in today's press. They are, of course, extremely unfavourable. It is asserted that it is nonsense to pretend this is a question of personalities. It is, on the contrary, a matter of vital political issues. The opponents of idea of collective security have triumphed and a policy of complete capitulation to aggressors is about to be adopted. His Majesty's Government have long been veering towards such a policy, and Mr. Eden's own line, which was last fig-leaf, has now been discarded as no longer necessary. His resignation, and resumption of discussions with Italy, constitute second important step (the first having been Lord Halifax's visit to Berlin)[1] towards resurrection of scheme for a Four-Power Pact which will give Germany a free hand in Central Europe and Italy a free hand in Spain. Prime Minister has already been obliged to show his hand as regards his attitude towards League of Nations[2] but it would be a mistake to conclude that nothing worse than a policy of isolation is in the wind. Even that would be a hundred per cent abetting of aggressors but it is a question of complete capitulation and a compact with incentives[3] of war. If, following on Lord Halifax's Berlin visit and despite German internal crisis, Herr Hitler was able to achieve practical annexation of Austria without the slightest misgiving, to what lengths will not Fascist aggressors be prepared to go after a decisive change (sic) (this is of course inconsistent with the assertion that Mr. Eden's resignation is merely the culminating stroke of policy long followed by Prime Minister) has taken place in British foreign policy?

Izvestia suggests in conclusion that 'catastrophic situation' with which Prime Minister's policy threatens both Great Britain and France 'perhaps contains elements that may yet oblige the former to turn aside from this dangerous path'. But the hope thus expressed is obviously regarded as very faint.

Fuller summaries by post.[4]

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[1] See No. 336.

[2] In his speech in the House of Commons on February 22 (see No. 576, note 1) Mr. Chamberlain referred to the League as being no longer capable of affording collective security. He said that it was no longer useful in its present form, adding that 'we must not try to delude small weak nations into thinking that they will be protected by the League against aggression and acting accordingly, when we know that nothing of the kind can be expected'. He felt, however, that the League might have a future in a reconstituted form. See 332 *H.C. Deb.* 5 s., cols. 226–8.

[3] The preceding three words were underlined on the filed copy of this telegram with the comment: 'This is obscure.'

[4] Not printed.

No. 584

Mr. Palairet (Vienna) to Viscount Halifax (Received February 24, 9.15 p.m.)

No. 41 Telegraphic: by telephone [*R 1785/137/3*]

VIENNA, *February 24, 1938*

Chancellor's speech[1] lasted two hours and was remarkably vigorous and downright. He emphasized both German and Austrian character of this country and desire to live in agreement with Germany: claimed complete independence and sovereignty as admitted by Germany: declared amidst frenzied applause 'Austria must remain Austria'; 'what we have we mean to keep': made an impassioned appeal for unity at home on basis of common humanity instead of party, with specially cordial references to workers: and concluded, after hint that he might call on Patriotic Front for their vote, by saying that he knew he could count on them to follow him to the death if need be. He made constant references to Dollfuss.[2]

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[1] Dr. Schuschnigg addressed the Federal Diet on February 23.

The speech, which was received with the utmost enthusiasm, gave impression of great strength and assurance and must, I think, produce considerable effect at home and abroad.[3]

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[2] Dr. Dollfuss, Austrian Chancellor since 1932, was assassinated in July, 1934: see Volume VI, No. 526 and Appendix IV.

[3] A minute by Mr. Nichols read: 'A courageous effort. The Germans mostly suppressed it in their newspapers. P. Nichols. 26/2.' A full report of Dr. Schuschnigg's speech was printed in *The Times*, February 25, 1938, p. 15.

No. 585

Sir E. Phipps (Paris) to Viscount Halifax (Received February 25)

No. 119 Saving: Telegraphic [*C 1287/42/18*]

Immediate PARIS, *February 24, 1938*

Your telegram No. 44 of yesterday.[1]

I have informed Minister for Foreign Affairs in strict confidence.

His Excellency begged me to tell you that it would, in his opinion, be disastrous to reply to Hitler's violent and menacing speech[2] by allowing His Majesty's Ambassador in Berlin to make the suggested 'soundings' unless a very definite warning were addressed to the German Chancellor at the same time regarding Austria. M. Delbos would much prefer that that warning should be made by the British and French Ambassadors to the German Government in advance of the 'soundings', but in any case he most earnestly begs that the latter shall not be taken without any *démarche* regarding Austria.

M. Delbos feels the German situation is very dangerous and that it will be only rendered more so if Hitler should derive the impression that France and Great Britain are unduly weak and afraid and acquiesce in his acts of aggression.

His Excellency seemed most depressed: he has, I believe, offered his resignation more than once during the last few days.

Repeated to Berlin No. 51.

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[1] This telegram referred to Nos. 541 and 565 and instructed Sir E. Phipps to inform the French Government in strict confidence that Sir N. Henderson's communication to the German Government was being deferred.

[2] See No. 567.

No. 586

Sir E. Phipps (Paris) to Viscount Halifax (Received February 25)

No. 120 Saving: Telegraphic [*R 1784/23/22*]

Immediate PARIS, *February 24, 1938*

The Minister for Foreign Affairs begs me to let you know that in the course of the debate on Foreign Affairs in the Chamber, which opens tomorrow, he will have to speak on February 26th; he will then certainly be asked whether His Majesty's Government have kept him closely informed of the coming conversations with Italy. It would, in this connexion, be essential for him to know what instructions are being given to Lord Perth, as otherwise he will be obliged to reply that he is in ignorance of their nature. This, he points out, would cause a storm of indignation in the Chamber of Deputies.

Monsieur Delbos referred to the Prime Minister's statement in the House of Commons[1] that he was acting in close consultation with the French Government, and said that he felt justified in asking that this statement should be fully implemented. At present he was completely in the dark regarding the probable course of the Anglo-Italian conversations, for which, unless further enlightened, he must decline all responsibility.

I pointed out that Lord Perth was only arriving in London this evening, and that it would therefore have been materially impossible for the French Government to be informed of instructions that he had not yet received.

Monsieur Delbos, who has had a very trying time with his followers of the Left, laboured under considerable emotion, and I hope that you may be able, either through Monsieur Corbin or myself, to furnish him with some further information that may enable him to show both in and out of Parliament that he has not been kept in the dark.

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[1] See No. 576, note 1.

No. 587

Mr. Palairet (Vienna) to Viscount Halifax (Received March 7)

No. 58 [*R 2118/137/3*]

VIENNA, *February 24, 1938*

Sir,

The German Minister (or rather Ambassador) has just been to pay me his farewell visit, on his return from one of his numerous excursions to Berlin. He told me that nothing had yet been settled as to his future post, but that he had decided to hand over the Legation within the next few days to the Counsellor, Herr von Stein, who would be in charge here until the appointment of the new German Minister. It is not yet settled who this is to be, and I understood that all the new German diplomatic appointments, including London, were being held up for the present.

2. Herr von Papen then remarked that he had been surprised at the reception in Paris and London of the results of the Berchtesgaden meeting. I said that it was not so much the results, as the methods employed, which had alarmed other countries. He then endeavoured to convince me that Herr Hitler had been mildness itself: only very moderate demands, such as for a general amnesty, had been made; he himself had been present at most of the conversations, and although perhaps there had been some 'sharpness', yet the atmosphere had been very friendly, and Dr. von Schuschnigg had been absolutely free to accept or not to accept what had been proposed to him. It was, of course, to his interest to exaggerate the violence of the reception. This, I replied, was really too much to ask me to believe; everyone knew that Dr. von Schuschnigg had yielded against his will because he had no other choice: and apart from the effects on Austria and the impression that this was only the first step towards complete German control here, any such banging on the table naturally resounded throughout Europe and made people ask when it would be repeated and against whom. I took the opportunity of saying that the contention, so loudly proclaimed in the German Press, that relations between Germany and Austria were only a 'family affair' which did not concern any other country, would not hold water. Apart from our own interest in Austrian independence as a factor in the peace of Europe, the future of this country obviously concerned all her neighbours, not only Germany. Herr von Papen admitted this, but spoke with bitterness and violence of the past, of the refusal by England and France of the Customs Union between the two countries,[1] and of the policy of cutting Germany off from the Danube and stifling her expansion eastwards. I said that I had not seen any signs of this policy in London, to which he replied that it had been the policy of France for centuries to counter Germany's development in Central Europe by any and every means, and she was pursuing that policy now as much as ever.

3. Turning to Austria, Herr von Papen said that it had always been his aim to prevent conflict between the two countries and to allow events to develop peacefully. I asked him whither, in his own view, these peaceful developments were to lead. He replied that he did not contemplate an actual incorporation of Austria in the German Reich, but thought that eventually some kind of personal union, as in the days of the Dual Monarchy, might be possible. When I asked if a personal union did not imply a dynasty, he said that that did not seem to him absolutely necessary, but at the same time he did not exclude the idea of a dynastic union, though he was, of course, thinking rather far ahead. This admission seemed to me interesting: he appeared to consider, at any rate in theory, the possibility of a restoration of the Monarchy in Germany, if not in Austria. I did not pursue the idea any further, but if it at all represents Herr Hitler's (and not only Herr von Papen's) views for the future

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[1] See Volume II, Chapter I.

of Austria, the suggestion in my despatch No. 54 of February 20th,[2] that this country might become a second Bavaria, is not perhaps so removed from practical politics as might appear.

4. Herr von Papen observed that it was highly important to prevent civil dissensions in Austria, because, if they broke out, they would be rendered very bitter and destructive by the violent antagonism between the Catholic and Socialist sections of the population, especially in Styria and Carinthia. He hoped that the Vatican would see the importance of not allowing Austria to come to be regarded as a Catholic Bulwark against Germany: this would be fatal. (For the moment, recent events seem to have drawn Austrian Catholics and Socialists together in support of the Austrian Chancellor against the common danger; but it is impossible to say how strong or how lasting this rapprochement will be).

5. I said that, speaking personally, it seemed to me that it would be a real disaster to Europe if Austria, the last home of free German culture, were to be swallowed up by Germany in her present frame of mind. Herr von Papen said to me, with a meaning smile, that I must be aware of his own views on such matters. From his recent talks with Herr Hitler he had strong hopes that there would soon be a change for the better in Germany and that the more conservative elements would recover their influence in, I took him to mean, cultural and religious spheres.

6. He took leave of me very cordially and will probably come to luncheon or dinner here on his return from the mountains and before he leaves Austria for good. I do not trust him, but cannot help liking him; whereas Frau von Papen's sincerity of character commands not only liking, but respect and regard.

7. I am sending a copy of this despatch to His Majesty's Ambassador at Berlin.

I have, etc.,
MICHAEL PALAIRET

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[2] In this despatch Mr. Palairet offered some general reflexions on possible solutions of the current Central European problem, concluding that nothing short of force on the part of Great Britain, France, and Italy would dissuade Herr Hitler from his Austrian objective. He asked, however, whether it would be possible 'to devise a solution which would satisfy German ambitions, Italian apprehensions and Austrian claims?' and suggested 'the creation of some sort of buffer State, which, while remaining Austrian in tradition and culture (and, let us not forget, religion) should yet be attached to the German Reich—perhaps more or less in the form in which Bavaria was attached to the German Empire before the war'. In a minute commenting on this plan Sir O. Sargent remarked on March 9 that this and similar plans for converting Austria into a satellite state of Germany under international guarantee 'were not practical politics, for the reason that Hitler would simply refuse to collaborate'. Sir A. Cadogan wrote on March 10: 'I should not give much for the chances of survival of an Austrian "Dukedom" within the Reich.' There was a final comment by Mr. R. A. Butler: 'Alas all is over. R.A.B. 12/3.'

No. 588

Sir R. Lindsay (Washington) to Viscount Halifax
(Received February 25, 7.30 p.m.)

No. 133 Telegraphic [*A 2127/64/45*]

Very Secret WASHINGTON, *February 25, 1938, 1.15 p.m.*

In reply to my question Under-Secretary of State for Foreign Affairs told me to-day that President had 'of course' decided to hold his plan in abeyance for the present.[1]

He said that the opinion of the President and of every other responsible member of the administration was that intended procedure of His Majesty's Government as described in Prime Minister's statements to Parliament[2] was entirely right and that present prospects were favourable. There had been wave of pure emotion in public opinion due to understandable inability of the average American to see that it was generally impossible to conduct foreign policy in way in which one would prefer to conduct it.[3]

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[1] Cf. No. 527.

[2] See No. 576, note 1.

[3] Mr. Chamberlain wrote across the copy of this telegram preserved in the Prime Minister's papers (PREM 1/259): 'This is excellent.'

No. 589

Viscount Halifax to Sir E. Phipps (Paris)

No. 46 Telegraphic: by telephone [*R 1784/23/22*]

Immediate FOREIGN OFFICE, *February 25, 1938, 5.15 p.m.*

Your telegram No. 120 Saving.[1]

I sympathise with Monsieur Delbos in his parliamentary difficulties, and it was for this very reason that, as reported in my telegram No. 42[2] I had on the 23rd instant a full and frank conversation with the French Ambassador on the present situation. With the best will in the world I can add nothing at present to that statement, for nothing has since happened to affect it in any way. You may, however, if you think it would be useful, speak to Monsieur Delbos on the lines of my telegram No. 140[3] to Sir R. Lindsay, which is being repeated to you.

Meanwhile His Majesty's Ambassador in Rome arrived last night in London for consultation with His Majesty's Government. As these consultations are now only about to start, it will of course be impossible to inform Monsieur Delbos of their outcome before he has to speak in the Chamber tomorrow, but you can assure him that Monsieur Corbin will of course be kept informed of further developments, and that the French Government will as hitherto be consulted on all matters of common interest as they arise.

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[1] No. 586.

[2] No. 578.

[3] No. 582.

I hope, if you get the opportunity, you may feel able to convey to the Minister for Foreign Affairs that His Majesty's Government would view with the greatest regret any interruption in their co-operation with Monsieur Delbos, who has so long and helpfully collaborated in the joint efforts of the French and British Governments during recent months. In this connexion you ought to know that in the House of Lords yesterday I had occasion in a brief reply to a question to say: 'The result of a real agreement relieving the tension in the Mediterranean would be welcome to no nation more than to France, with whom we have on several occasions freely discussed the policy of this matter and with whom, of course, we shall throughout all our conversations keep in close contact and work in the closest co-operation.'[4]

For your own information, I must warn you that I do not wish to be pledged to communicate to the French Government the actual instructions which will eventually be given to Lord Perth: the risk of leakage would be altogether too great. Nor do I wish to get involved in sterile discussions with the French on questions of procedure and detail. I should be glad, therefore, if you would convey a hint to Monsieur Delbos that, since it is His Majesty's Government who are conducting these negotiations, they must be the sole judges as to the procedure and tactics to be followed, and since moreover most of the questions to be discussed will primarily be matters affecting only Great Britain and Italy, we cannot be expected to discuss them in detail with the French Government.

On the other hand, it goes without saying that we will continue to consult and keep in closest touch with the French Government in regard to all major questions affecting the common interests of Great Britain and France, such as Spain, the Mediterranean, and *de jure* recognition.

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[4] See 107 *H.L. Deb.* 5 *s.*, col. 934.

No. 590

Sir E. Phipps (Paris) to Viscount Halifax (Received February 26, 9.30 a.m.)

No. 64 Telegraphic [*R 1855/23/22*]

PARIS, *February 25, 1938, 9.10 p.m.*

1. Your telegram No. 46.[1]

2. I gave messages as authorized to Monsieur Chautemps and Monsieur Delbos this evening at Chamber of Deputies. They seemed relieved and thanked you very much.

3. Both French Ministers are preoccupied about the Spanish question and fear that although Italy and Germany have agreed to withdraw volunteers, those States will send enormous consignments of arms and ammunition into Spain. They think this all the more likely in view of Hitler's remarks in his speech[2] to the effect that he could not tolerate the victory of Spanish

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[1] No. 589.

[2] See No. 567.

Government. I pointed out that I thought he had only vetoed 'bolshevisation' of Spain and that would not apply to present Spanish Government.

4. French Ministers, however, urged that Italy and Germany should agree to entire London plan, viz. withdrawal of volunteers, closing of *both* land frontiers of Spain, maritime observers, and granting of belligerent rights.

No. 591

Viscount Halifax to Sir E. Phipps (Paris)

No. 47 Telegraphic [*C 1287/42/18*]

Immediate FOREIGN OFFICE, *February 25, 1938, 9.30 p.m.*

Your telegram No. 119 Saving.[1]

I still maintain the view which you were instructed to convey to the French Government in my telegram No. 28[2] that any joint warning or protest in Berlin by His Majesty's Government and the French Government on the question of Austria is to be deprecated, and I have explained my views in the memorandum which I am today presenting to the French Ambassador[3] in reply to the memorandum which he left at the Foreign Office on February 18th[4] (see my despatches Nos. 357 and 386).[5]

It is, however, my intention, as stated in my telegram No. 28, that when His Majesty's Ambassador at Berlin makes his communication to the German Government he should include a warning as regards Austria, and I have explained its tenour in my above mentioned memorandum to the French Ambassador. You can therefore assure Minister for Foreign Affairs that our soundings in Berlin will not be taken without definite mention being made of the Austrian question.

While giving full weight to Monsieur Delbos' point of view, I still hold that it would be preferable not to make any *démarche* in Berlin about Austria in advance of His Majesty's Ambassador's interview with the German Chancellor on the general question, nor do I think that that interview should be deferred by reason of what has happened in Austria.

Repeated to Berlin No. 52.

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[1] No. 585.

[2] No. 534.

[3] See No. 592 below.

[4] No. 557.

[5] Not printed.

No. 592

Memorandum[1] *communicated to the Counsellor of the French Embassy on February 25, 1938*

[*R 1657/137/3*]

FOREIGN OFFICE, *February 25, 1938*

The French Embassy's memorandum of February 18th,[2] regarding recent events in Austria and the steps to be taken in order to mitigate the consequences likely to arise therefrom, has been carefully considered by His Majesty's Government.

If the proposals put forward in that memorandum are understood aright, it is suggested

(1) that a *démarche*, preferably joint or at least concerted, should be made in Berlin by the French and British Ambassadors to the following effect:

(a) That the legitimate anxiety of Dr. von Schuschnigg to safeguard Austrian independence will not, in the opinion of Great Britain and France, allow him to go any further.

(b) That the real and not merely verbal independence of Austria constitutes one of the major interests of European peace and that the British and French Governments could not be indifferent spectators of any new attempts destined to destroy it.

(c) That in general neither the French nor British Governments can tolerate any *coup de main* or act of war likely to bring into question the territorial status quo in Central Europe and that in that case these events would meet with opposition on the part of the Western Powers; and

(2) that apart from a warning in the above sense, it would be equally desirable that the Governments of London and Paris should consider whether all means of facilitating the rapprochement of the Danubian States have been exhausted; whether certain possibilities are not still open in this connexion in agreement with Vienna and Prague; and whether in particular these could not be found in the economic and financial spheres.

His Majesty's Government have every sympathy with the preoccupations which have induced the French Government to put forward these suggestions, and they fully share the concern felt by the French Government at the possible future course of events in Austria and perhaps in other States of Central Europe. It is, however, when they come to consider the methods proposed by the French Government to counter these possibilities that His Majesty's Government begin to entertain certain doubts. They feel that mere words, unless supported by the will to follow them up with deeds, are unlikely to stem a process which they, with the French Government, would deplore but which, in view of the measures already initiated in Austria as a result of the Berchtesgaden agreement,[3] might easily be made to assume the appearance of a normal evolution. Any language of the nature suggested, if held in Berlin, might, if it became known in Vienna, only mislead the Austrian Chancellor by encouraging his hopes for military support from France and Great Britain, which is unlikely to be forthcoming. In fact, in the eyes of His Majesty's Government, the first two suggestions put forward by the French Government (1 (a) and (b) above) offer not only little prospect of averting effectively the realisation of German aims in Austria but might even provoke fresh pressure by the German on the Austrian Government, and further interference in the internal affairs of Austria.

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[1] See No. 580. A French translation of this memorandum is printed in *D.D.F.*, *op cit.*, No. 274.

[2] No. 557.

The third suggestion (1 (c) above) put forward in the memorandum of the French Government contemplates definite measures by the Western Powers with the object of preventing further methods similar to those employed at Berchtesgaden being used in Central Europe. The language suggested by the French Government implies a readiness on the part of the French and British Governments to have recourse to war in order to assert their will. This would involve a commitment which hitherto His Majesty's Government have refused to undertake, a decision which in present circumstances they are unable to reverse.

On the other hand, His Majesty's Government share with the French Government their interest in doing whatever may be possible to stabilise the situation in Central Europe generally, and for that reason are always prepared to give careful consideration to measures for the consolidation of the Danubian States in the economic sphere. It is for this reason that His Majesty's Government have so warmly supported M. van Zeeland's efforts.[4] They are, however, disposed to regard measures of this nature as likely only to prove effective over a period of time and if German collaboration is secured.

As regards a political rapprochement between the Danubian States, more particularly between Austria and Czechoslovakia, it is not apparent how in present circumstances the British and French Governments could assist in efforts which the Danubian Governments may themselves be making in this sense. Nor do they conceive it likely that the Austrian Government will in present circumstances be permitted to enter into any political agreement with the Czechoslovak Government. But His Majesty's Government will, it need hardly be said, be ready to consider any further suggestions which the French Government may have to make in these matters.

Meanwhile, as Sir Eric Phipps has already informed M. Delbos on February 17th,[5] His Majesty's Government contemplate following up Lord Halifax's visit by initiating further conversations through the diplomatic channel with the German Chancellor, in the course of which it is hoped to ascertain how far the German Government are prepared to go in making a concrete contribution in respect of Central Europe and disarmament. These conversations would make it clear to the German Government that in the view of His Majesty's Government recent events have aroused apprehensions in many quarters which must inevitably render more difficult the negotiation of a general settlement, and that a general appeasement depends on the restoration and maintenance of confidence and stability in Austria and Czechoslovakia.

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[3] See No. 506, note 3.

[4] Cf. No. 440.

[5] See No. 541.

For the above reasons His Majesty's Government feel that the steps which they hope to take in Berlin are more likely than the French proposals to create conditions favourable to peaceful development and the restoration of confidence in Central Europe, and less likely to precipitate events which it is the object of the Governments in London and Paris to avoid.

The French Government may be disposed to agree that the speech made yesterday by the Austrian Chancellor[6] shows that he himself appears to have some confidence that the arrangement made with Germany may yet enure to the benefit of relations between the two countries.

His Majesty's Government agree that, however desirable Italian co-operation as regards the affairs of Central Europe may be, such co-operation cannot be counted upon in present circumstances. It would be unwise therefore for the two Governments to take the possibility of such co-operation into account in their immediate calculations. On the other hand, the forthcoming conversations which are to take place between His Majesty's Government and the Italian Government will at any rate afford an opportunity, which for the last year has been entirely lacking, of ascertaining whether and if so in what conditions it might be possible, now or hereafter, to enlist at least the sympathetic interest of Italy in the problem with which Europe is now confronted as a result of the recent developments in Austria.[7]

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[6] See No. 584.

[7] To the British memorandum of February 25 the French Government replied in a further memorandum, not printed here, dated March 2, delivered at the Foreign Office by M. Cambon on March 4. The French text is printed in *D.D.F.*, *op cit.*, No. 304. It was at first suggested in the Foreign Office that there were 'really no new arguments in this note', and that therefore no reply was called for. Sir O. Sargent, however, writing on March 8, did not think that 'we can thus brush aside this French note. Read, as it must be, in conjunction with M. Delbos' remarks to Sir E. Phipps recorded in Paris telegram No. 134 Saving [No. 613 below] it constitutes a definite warning to H.M. Government which cannot be ignored'. He referred to the idea, which he had put forward when the first French note was being considered 'on the possibility of organising some sort of collective resistance to further German encroachments in Central Europe beyond Austria' (see No. 557 note 5). Sir A. Cadogan commented, also on March 8: 'I can only repeat the minute I appended to [Sir O. Sargent's proposal] on R. 1657. Can we "organise resistance" without assuming a commitment ourselves?'. Lord Halifax wrote: 'I think we must certainly reply to this note, but I wd prefer to do so after seeing Von Ribbentrop. And we should consider question of making sure that our attitude gets through correctly to Hitler. H. 8.3.38.' Developments connected with the German invasion and annexation of Austria after March 10 are dealt with in Volume I, Third Series, of these documents. Foreign Office telegram No. 71 of March 12 to Sir E. Phipps, not printed in *ibid*, referred to the French memorandum communicated on March 4, which had been rendered largely out of date by recent events in Central Europe. His Majesty's Government 'are giving close attention to [the] wider issues and will hope shortly to consult with the French Government concerning them.'

No. 593

Viscount Halifax to Sir E. Phipps (Paris)

No. 394 [*C 1352/42/18*]

FOREIGN OFFICE, *February 25, 1938*

Sir,

In the course of my conversation with the French Ambassador to-day His Excellency spoke of the grave doubt entertained by the French Government about our decision at this time to instruct our Ambassador in Berlin to seek an interview with Herr Hitler and in particular the French Government would have liked fuller information as to what might be the precise dimensions of any proposals for colonial cession that we might be willing to consider. Upon this I told him that we had by no means moved so far or so fast. All that we had done, as you had been instructed to inform the French Foreign Minister,[1] was to ask our Ambassador in Berlin when he saw Herr Hitler to take soundings as to what would be the German attitude towards proposals on the general lines that we had sketched to him. We had accompanied that by an assurance that if anything emerged from these enquiries it would not be our intention to propose any contribution from the French unless we ourselves were prepared to make a substantially equivalent contribution. We had proceeded no further than this in our Cabinet discussions of the matter, for the simple reason that we had thought it unprofitable to give any close examination to any more precise proposals until we knew what the German attitude towards the general proposition might be.

2. M. Corbin appeared to be reassured by this and I concluded by saying that the impression left on my mind by his conversation was that it might be of assistance if we were able to place him in possession in some more ordered form of our general thought on all these very important topics and in the approach that could best be made to them. I was hopeful that if we could do this his Government would find that there was less ground for the anxieties which it had been the particular purpose of his visit to convey to me. He said he would be grateful for this if it were possible and wished me goodbye, once again reiterating how essential it was that we should exchange ideas together in the freest confidence.[2]

I am, etc.,
HALIFAX

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[1] Cf. No. 541.

[2] M. Corbin's account of this conversation is printed in *D.D.F., op cit.*, No. 276.

No. 594

Sir P. Loraine (Angora) to Viscount Halifax (Received February 26, 3.5 p.m.)

No. 53 Telegraphic [*R 1859/117/67*]

Most Immediate Confidential ANGORA, *February 26, 1938, 1 p.m.*

I gather unanimity of all matters of common interest is already established between Balkan Entente representatives assembled here[1] and Turkey and the shared sense of uncertainties and dangers that overcloud the European horizon has greatly helped to close the ranks against possible divergences, to cement alliance, and to stimulate sense of need to keep together and present a solid front.

I expect that conference will thus complete its labours very soon and M. Stoyodinovitch [*sic*] himself is to leave Angora tomorrow evening.

The one thing however about which uncertainty prevails is direction in which His Majesty's Government as now reconstituted intend to move especially as regards recognition of Italy in Ethiopia, general agreement between the four great Western Powers, and the League of Nations. Conference wants a British lead and wishes to conform to it: but Dr. Aras does not feel, notwithstanding public statement after [*sic*] Prime Minister and you yourself,[2] entirely clear about what lead you both wish him to give—to take one example, there seems to him a possible discrepancy between Prime Minister's allusions to League of Nations[3] and your remarks on the same subject.

Could you possibly telegraph to me *today* some message which Dr. Aras could use to ensure conformity of Balkan States' attitude to that of His Majesty's Government and which will also convey the impression that he and they are being taken into your confidence and do not have to draw their own conclusions like the general public from public statements and press messages.

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[1] The Permanent Council of the Balkan Entente met at Angora February 25–7, under the presidency of M. Metaxas, Greek President of the Council.

[2] See No. 576, note 1.

[3] Cf. No. 583, note 2.

No. 595

Sir N. Henderson (Berlin) to Viscount Halifax (Received February 26, 3.5 p.m.)

No. 64 Telegraphic [*C 1353/42/18*]

BERLIN, *February 26, 1938, 2.25 p.m.*

Budapest telegram No. 15.[1]

If it is true—as it may well be—that General Goering regrets Herr Hitler's so-called weakness at Berchtesgaden it confirms my view of that meeting namely that the Chancellor considers that he imposed his will upon Dr. Schuschnigg not out of ruthlessness but in order to avoid more extreme policy which was advocated by his party advisers.

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[1] In this telegram of February 25 Sir G. Knox reported that the Austrian Minister at Budapest had been told by both the Hungarian Prime Minister and Foreign Minister that Field Marshal Goering was complaining about Herr Hitler's 'weakness' at Berchtesgaden. Cf. No. 506, note 3.

This point of view should in my opinion be taken into account in any reference to Austria in my projected conversation with Herr Hitler (see your telegram No. 47 to Paris[2]). Monsieur Delbos fears we shall give the impression of weakness if we do not give definite warning about Austria. It seems to me that we shall give just that very impression if we give a warning and leave it to itself to carry conviction thereby merely showing our impotence to do anything to prevent the evil which we fear.

I submit that the French Government [? is] not so much inspired by principles of moral or international ideals as by dread of a German hegemony to diminish French influence in Central Europe. If Austria were united in resistance to pan-German thesis the position would be different: but she is not, and even if we were prepared to go to war for her independence a considerable section of the Austrian people would not even welcome interference.

Our interest in Austria should in my opinion be based not so much on Stresa Front which is less defensible, as on peace treaties and our language to Herr Hitler should also imply recognition of her preservation of her independence and our confidence that he will not use forcible action to destroy it. I doubt if we shall help Dr. Schuschnigg if we indicate to Herr Hitler that we are bolstering him up against Germany without being willing to organise force to support him.[3]

Repeated to Paris and Vienna.

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[2] No. 591.

[3] A long minute by Sir R. Vansittart addressed to Lord Halifax included the following observations. 'This is a very lop-sided telegram. (1) Herr Hitler imposed a ruthless *diktat* at Berchtesgaden. To say that other people wished to be *more* ruthless is no explanation or excuse . . . (2) It is really distortion to accuse the French of wishing to avoid a hegemony in Europe. That has been the basis of *our* policy for 300 years, & it must be the governing idea of any man with sense . . . (3) I should have thought it better to avoid too much stress on the Peace Treaties, which always act as an irritant. And the Stresa front is perfectly defensible . . . What is more important is Sir N. Henderson's apparent attempt to water down our formula. It will be of no use to "*imply* . . . our confidence that he will not use forcible action to destroy Austrian independence". We shall have to *say* plainly, as we intend to say, that an impairment of it will make any general settlement a matter of great difficulty. Sir N. Henderson evidently needs some stiffening up. R.V. Feb. 28.' Lord Halfax's sole comment was: 'Sir A. Cadogan to see. H. 28.2.38.'

No. 596

Sir E. Phipps (Paris) to Viscount Halifax (Received February 26, 7 p.m.)

No. 65 Telegraphic [*C 1354/42/18*]

PARIS, *February 26, 1938, 5.42 p.m.*

Your telegram No. 47.[1]

I informed Minister for Foreign Affairs accordingly.

He regrets no joint protest is to be made at Berlin, but is relieved to hear that His Majesty's Ambassador there will include a warning as regards Austria in his communication to the German Government.

During present Parliamentary debate on foreign affairs majority of speakers have made most sympathetic references to Austria and to the courage of her Chancellor.

Repeated to Berlin.

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[1] No. 591.

No. 597

Viscount Halifax to Sir P. Loraine (Angora)

No. 28[1] *Telegraphic* [*R 1926/23/22*]

Most Immediate FOREIGN OFFICE, *February 27, 1938, 2.45 a.m.*

Your telegram No. 53.[2]

Please instruct government to which you are accredited as follows:

Mr. Eden's resignation does not betoken any change in the policy of His Majesty's Government.

His Majesty's Government have intimated their willingness to open conversations with the Italian Government, and to include in such conversations question of recognition of Italian position in Abyssinia. They have also, as you will have observed, adhered to position that this question is one which directly concerns the League and in regard to which, if conversations result satisfactorily in other respects, League approval would have to be sought.

There are no proposals under discussion for anything in nature of four-Power pact. Though obviously a general agreement with Italy, combined if it can be with better understanding with Germany, would contribute largely to maintenance of peace and good relations in Europe.

As regards the League, I think you will find that the Prime Minister has said nothing inconsistent with the statement made by Mr. Eden to the Council at its last meeting.[3] Mr. Chamberlain repeated that His Majesty's Government were loyal members of the League and that i[f] we came to an agreement with the Italian Government we should desire to obtain the approval of the League for it. There has certainly been no change of policy in this respect.

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[1] No. 142 to Washington, No. 11 to Belgrade, No. 41 to Athens, No. 8 to Brussels, and No. 9 to The Hague.

[2] No. 594.

[3] See No. 473, note 2.

[4] Meanwhile you have discretion to assure Government to which you are accredited in whatever terms you consider most suitable that His Majesty's Government will bear their particular interests in mind, and that of course they contemplate no action inconsistent with those interests or with the sincere friendship existing between the country to which you are accredited and His Majesty's Government.

[5] I am speaking on above lines to Greek Minister here who has today conveyed a message from General Metaxas.[6] Please therefore bring foregoing to latter's knowledge as well as to that of Dr. Aras.

[4] This paragraph sent to Belgrade, Athens, and Angora only.

[5] This paragraph sent to Angora only.

[6] Cf. No. 594, note 1.

No. 598

Mr. Palairet (Vienna) to Viscount Halifax (Received February 28, 4 p.m.)

No. 42 Telegraphic [*C 1365/42/18*]

VIENNA, *February 27, 1938, 2.30 p.m.*

Berlin telegram No. 64.[1]

I know from Dr. Schuschnigg himself what happened at Berchtesgaden where Herr Hitler's bullying did not succeed to the extent he expected. We also know that Dr. Schuschnigg himself would welcome firm language by His Majesty's Government at Berlin (see my telegram No. 22)[2] though he knows quite well that he cannot expect active British support.

Since His Majesty's Government first decided to take action at Berlin both the Chancellors have made important speeches. Herr Hitler's[3] was violent in general and provocative to us in particular; Dr. Schuschnigg[4] expressed firm determination to uphold Austrian independence and he has certainly strengthened his position and has secured the (?support) of the workers.

I submit this is not a moment in which we should express our confidence in Herr Hitler's promise in respect to Austrian independence but should rather leave him in no doubt whatever that we regard that independence as important to the general European peace quite apart from the peace treaties or Stresa agreement.

I would not describe such action as 'bolstering Dr. Schuschnigg up'.[5]

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[1] No. 595.

[2] No. 522.

[3] See No. 567.

[4] See No. 584.

[5] In a minute of February 28 on this telegram Mr. Strang observed that the terms in which Sir N. Henderson was to speak to Herr Hitler had been finally settled and communicated to him (see No. 599 below). 'We need not therefore enter into any argument with him about them. Nor is it desirable that the present argument between Sir N. Henderson and Mr. Palairet should develop any further . . . we should now let Mr. Palairet (and Mr. Troutbeck) know

what Sir N. Henderson will say to Herr Hitler . . .' Sir R. Vansittart wrote: 'I note that Mr. Palairet has taken the same point as I did in my minute this morning [see No. 595, note 3]. He also adds the cogent point that Herr Hitler's minatory methods did not achieve all the success which he hoped; and this point is destructive of Sir N. Henderson's argument. R.V. Feb. 28.' This is marked: 'Seen by S. of S.'

No. 599

Viscount Halifax to Sir N. Henderson (Berlin)

No. 55[1] *Telegraphic* [*C 1095/42/18*]

FOREIGN OFFICE, *February 27, 1938, 5.30 p.m.*

Your telegram No. 43.[2]

When acting on paragraph 3 of my despatch No. 164[3] you should maintain the reference to Austria by name, and reference should take following form.

You should say that in our view appeasement would be dependent, among other things, on measures taken to inspire confidence in Austria and Czechoslovakia, and to establish better relations between those countries and Germany. You should add that His Majesty's Government at present cannot estimate the effect of the recent arrangements between Germany and Austria, which must depend upon the manner in which the several undertakings of the arrangements made are implemented by the two parties to them. They are therefore at present doubtful as to the effects which these arrangements are likely to have on the situation in Central Europe, and cannot conceal from themselves that recent events have aroused apprehension in many quarters, which must inevitably render more difficult the negotiations of a general settlement.

It is possible that this may produce some useful explanation from the Chancellor or a clarification of his intentions.

[1] Foreign Office telegram No. 54, also despatched at 5.30 p.m. on February 27, instructed Sir N. Henderson to substitute the immediately following telegram (No. 55) for Mr. Eden's telegram No. 30 (i.e. No. 533 above). A minute of February 28 by Mr. Strang noted that the instructions to Sir N. Henderson regarding Austria and Czechoslovakia had been reconsidered by Lord Halifax in the light of Herr Hitler's speech of February 20 (see No. 567), and later developments in Austria. Telegram No. 55 represented these revised instructions.

[2] No. 529.

[3] No. 512.

No. 600

Sir P. Loraine (Angora) to Viscount Halifax (Received March 1, 9.30 a.m.)

No. 54 Telegraphic [*R 1938/23/22*]

Important ANGORA, *February 28, 1938, 6.15 p.m.*

Your telegram No. 28.[1]

I made desired communication to Turkish Minister for Foreign Affairs at 4.00 p.m. yesterday.

[1] No. 597.

Dr. Aras said that your message had arrived most opportunely: it told him what he wanted to know and he found it most helpful for his own guidance and that of the conference. He begged me to express his sincere gratitude for your courtesy your confidence and your timely message: and also his particular appreciation of last paragraph. He had never doubted that such were in fact the feelings of His Majesty's Government towards his country: but this clear and direct expression personally was very welcome and would he said produce a most favourable effect on Ataturk and Turkish Cabinet. Last night I received through the Prime Minister a personal message from the President of the Republic expressing his lively satisfaction and Prime Minister also asked me to thank you very cordially on behalf of the Turkish Government.

Thus the effect on Turkish circles has been excellent.

I could not see General Metaxas till 10.30 p.m. He begged me similarly to convey to you his gratitude and satisfaction.

Roumanian Delegate having been informed of your message by Dr. Aras also expressed to me his high appreciation adding that each sign given by His Majesty's Government of their friendly interest in Roumania and his Balkan friends was of great value. He could assure me that King Carol would be equally gratified.

Repeated Saving to Athens, Belgrade and Bucharest.

No. 601

Sir G. Knox (Budapest) to Viscount Halifax (Received March 1, 9.30 a.m.)

No. 16 Telegraphic [*R 1925/137/3*]

BUDAPEST, *February 28, 1938, 10.20 p.m.*

Mr. Palairet's telegram No. 42 to Foreign Office.[1]

May I add from point of view of this post that failure on our part to affirm openly the importance which we attach to independence of Austria would be interpreted here as consent on our part to its violation and exploited as approval.

Repeated to Berlin, Paris and Vienna.

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[1] No. 598.

No. 602

Sir G. Knox (Budapest) to Viscount Halifax (Received March 7)

No. 41 [*R 2144/137/3*]

BUDAPEST, *February 28, 1938*

My Lord,

I have the honour to refer to Mr. Palairet's telegram No. 18 of February 15[1] in which he reported that Herr von Schuschnigg had said that Herr Hitler had told him that Your Lordship had approved of Germany's attitude towards Austria and Czechoslovakia.

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[1] No. 517.

2. I have now been informed by the Political Director at the Hungarian Ministry for Foreign Affairs that during the visit of the Hungarian Prime Minister and Minister for Foreign Affairs to Berlin[2] the Germans made a similar statement to him. I gave him the same denial as Mr. Palairet to the Austrian Chancellor.

3. I am sending copies of this despatch to His Majesty's Ministers at Vienna and Berlin.

I have, etc.,
G. G. Knox

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[2] November 21–28, 1937.

No. 603

Sir N. Henderson (Berlin) to Viscount Halifax (Received March 1, 2.20 p.m.)

No. 66 Telegraphic [*C 1398/42/18*]

BERLIN, *March, 1 1938, 1.59 p.m.*

Your telegram No. 53.[1]

I saw the Minister for Foreign Affairs this morning and requested him to arrange interview for me with Herr Hitler. I added that I hoped he would give me 24 hours warning.

Herr von Ribbentrop told me that the Chancellor had returned to Berlin and that he would be seeing him almost at once. He anticipated that interview would be fixed for Thursday March 3rd.

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[1] In this Foreign Office telegram of February 27 Sir N. Henderson was instructed to inform Herr von Ribbentrop that he was 'now again seeking an interview with the Chancellor'.

No. 604

Sir N. Henderson (Berlin) to Viscount Halifax (Received March 3)

No. 203 [*C 1457/42/18*]

BERLIN, *March 1, 1938*

My Lord,

I called yesterday on Baron von Neurath, who had been away in the country since 20th February. He told me that the new Privy Cabinet Council consisted so far of himself alone and I gathered that there was little prospect of its being called upon to play any real part in foreign affairs except on occasions of critical importance.[1] Baron von Neurath was consequently feeling rather unhappy at finding himself out of everything.

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[1] See No. 492, note 1.

2. As I had not seen His Excellency since I received Mr. Eden's telegram No. 32 of 16th February[2] I took the opportunity to speak to him about Austria in the sense of the instructions contained therein. He took the line that the origin of all the present difficulties had been the refusal of the allied Powers to agree to the plan for a Customs Union which Monsignor Seipel had wished to introduce in 1931 and he accused His Majesty's Government of having been largely responsible at the time for preventing its realisation.[3] I told Baron von Neurath that that accusation was on a par with a number of others levelled against His Majesty's Government and just the contrary of the truth. I remembered quite well the decision at The Hague on the subject. Great Britain, as it happens, had signed the minority report to the effect that in their opinion that Union was not contrary to the Peace treaties. Though Baron von Neurath readily admitted that he was mistaken, I took the chance to register a vigorous protest against the light-hearted complaints which I heard too often here of British injustice towards Germany's aspirations.

3. I made this also the text for a definition of our present attitude as regards Austria on the general lines of your telegram No. 55 of February 27th.[4] I said that in spite of Herr Hitler's speech on February 20th,[5] which had been far from helpful and which I deplored, I expected shortly to be instructed to seek an interview with him. It was quite obvious that it would be impossible to make any progress towards an Anglo-German understanding unless His Majesty's Government and the people of Great Britain could feel confident that Germany would refrain from a policy of force (*Machtpolitik*) in Central Europe. We had been prepared to welcome the Berchtesgaden interview when it was first announced in the belief that it foreshadowed an amicable arrangement. It had since transpired that the Chancellor's language to Dr. von Schuschnigg had been far from amicable and that agreement had only been reached under menace and compulsion. Baron von Neurath interrupted me by saying that he hoped that in my interview with the Chancellor I would not stress the question of Austria; Herr Hitler had been exasperated by the attitude of the foreign Powers at what he considered a genuine attempt on his part to keep the peace in spite of his extremist followers who had clamoured for direct action. He (Neurath) had had great difficulty in preventing Hitler in yielding to their clamour. At the time of the 1936 agreement[6] an understanding had been reached, not in a signed document but in the form of notes, to the effect that Herr von Schuschnigg would grant an armistice (though not on the same scale as that now agreed upon at Berchtesgaden), to permit the gradual return of the 30,000 odd Austrian refugees now in Germany and to take two Pan-German Ministers into his Cabinet. Herr von Schuschnigg had not carried out any one of these undertakings and not even a single refugee had been allowed to return.[7] Under these circumstances it was

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[2] No. 535.

[3] Cf. Volume II, Chapter I.

[4] No. 599.

[5] See No. 567.

[6] See Volume XVI, No. 436, note 4.

[7] In a minute of March 8 Mr. M. J. Cresswell, a Third Secretary in the Central Department, commented: 'In fact I believe the meetings of the C[ommit]tee to decide the fate of the Austrian legion led to nothing owing to German demands not only for the men's readmission to Austria but to their reinstatement.'

not, so Baron von Neurath made out, unjustifiable that Herr Hitler had taken a strong line at Berchtesgaden and in any case that was preferable to a definite clash of force.

4. I told the Minister that it would be impossible for me not to discuss the fate of Austria in my conversation with Herr Hitler, and I asked him what prospect he saw of the satisfactory working of the present agreement. He was not enthusiastic. Dr. von Schuschnigg's speech[8] had not been conciliatory and had aroused great resentment among the extremists of the Party and misgiving among the moderates. Nobody here had cared much about the Austrians in the old days but now everybody wanted the Anschluss more or less. He confirmed that it was Herr Hitler himself who had prevented an outcry in the Press here against Dr. von Schuschnigg's speech. The fact was, he said, that all that the Chancellor wanted was the peaceful execution of the 1936 cum Berchtesgaden agreement and it would not be his fault if a situation arose which led to another crisis. He himself had, he added, great confidence in Dr. von Seyss-Inquart whom he said that he knew well and whom he described as a very reasonable man.

5. I derived the impression from my conversation with Baron von Neurath, who was more objective on the subject of Austria than usual with him, that he was endeavouring to prepare me for a very uncompromising attitude as regards Austria on the part of the Chancellor when I see him. Nor have I any illusions on the subject, though I did not say so to His Excellency.

6. I am sending a copy of this despatch to His Majesty's Representative at Vienna.

I have, etc.,
NEVILE HENDERSON

[8] See No. 584.

No. 605

Viscount Halifax to Sir N. Henderson (Berlin)

No. 63 Telegraphic [*C 1399/42/18*]

FOREIGN OFFICE, *March 2, 1938, 10 p.m.*

Your telegram No. 67.[1]

I certainly agree that it is highly undesirable to publish the subject matter of your interview with the Chancellor. You will remember that the absolutely secret character of your communication was emphasised in the instructions contained in Mr. Eden's despatch No. 164.[2]

On the other hand it would seem impossible to conceal the fact that you have had an interview with the Chancellor, and on the whole it would seem preferable to make no secret of the event and frankly to tell the press that the Chancellor had granted an interview to the British Ambassador and that a conversation had taken place on current questions affecting the two countries. If German government agree you should arrange the precise terms of such a formula with the German government and let me know them as soon as possible.[3]

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[1] In this telegram of March 1 Sir N. Henderson reported a conversation with Herr von Ribbentrop who had asked whether he 'wished interview with the Chancellor to be reported in the Press'. He asked whether the British Government proposed to make any statement.

[2] No. 512.

A communication to the French government in the terms set out in a recent despatch of Mr. Eden's has been made.[4] I am now instructing His Majesty's Representatives in Washington, Rome, Brussels and Lisbon to make a similar secret communication, though in somewhat more general terms, to the governments to which they are accredited.

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[3] In telegram No. 69 of March 3 Sir N. Henderson said he had agreed with Herr von Ribbentrop on the following formula for issue to the press: 'The Chancellor received to-day the British Ambassador for a general conversation upon subjects of interest to both countries.'

[4] Cf. No. 541.

No. 606

Extract from Cabinet Conclusions No. 10(38) of March 2, 1938

[*C 1616/42/18*]

1. The Prime Minister, referring to the Meeting mentioned in the margin,[1] recalled that the Cabinet were aware of the forthcoming conversations with Germany. His Majesty's Ambassador at Berlin had returned home and had gone back to Germany with his instructions. Perhaps the most difficult question to be considered in the conversations was that of colonies, to which the Cabinet Committee on Foreign Policy had given much thought. The line that seemed most practical and likely to lead to success was to delimit a zone in Tropical Africa which, very approximately and without going into details, would be bounded by the Sahara Desert on the North and German South-West Africa on the South. The idea was to treat this zone as a field for a new experiment in colonial administration. The existing Mandates would be surrendered, and all the Powers holding territories in the area would agree to adopt and apply certain principles on such matters as demilitarisation, the treatment of Natives, Trade and communications. Room would be found in the area for territory for administration by Germany. One advantage of this arrangement was that it could be presented to the world not as handing back to Germany her former colonies as a right, but as a new plan based on higher ideals and allotting territory subject to certain principles. A great deal of work would still remain to be done. At some point it would be necessary to consult Belgium and Portugal. Part of the area in question was already subject to the Congo Treaties. Yet another advantage of the scheme was that it avoided one of the most formidable criticisms, namely, the handing over of Natives from one Power to another. The Treaty was also based on a big ideal which it was

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[1] See No. 503.

hoped might commend itself both to this country and to Germany. It had not been thought necessary to give particulars to the French at the present stage, more particularly as it was inadvisable to run the risk of causing irritation in France by communicating the outlines of a scheme that the Germans might refuse. The Cabinet Committee had thought, therefore, that the best plan was to instruct Sir Nevile Henderson to sound the Führer on the subject. We were telling the French Government that all that had been done was to instruct His Majesty's Ambassador in Berlin, when he saw Herr Hitler, to take soundings as to what would be the German attitude towards proposals on the general lines sketched out above. That communication would be accompanied by an assurance that if anything emerged from these enquiries we should not propose any contribution from the French unless accompanied by a substantially equivalent contribution from ourselves.

The Prime Minister then suggested to the Secretary of State for Foreign Affairs that he should circulate to the Cabinet his Despatch of February 25th to Sir E. Phipps,[2] printed in F.P.(36)53.

The Cabinet took note

(a) of the Prime Minister's statement:

(b) that the Secretary of State for Foreign Affairs would circulate his Despatch No. 394 to Sir E. Phipps, dated February 25th, 1938, at present printed as F.P.(36)53.

[2] No. 593.

No. 607

Extract from Cabinet Conclusions No. 10(38) of March 2, 1938

[*R 2109/23/22*]

4. The Cabinet had before them a Memorandum by the Secretary of State for Foreign Affairs (C.P.50(38)) on British Desiderata in the forthcoming Anglo-Italian Conversations.[1]

The Secretary of State for Foreign Affairs informed the Cabinet that since its circulation the above Memorandum had been discussed by the Cabinet Committee on Foreign Policy,[2] and he gave his colleagues particulars of the amendments introduced as the result of that discussion, all of which were approved.

In the course of the discussion the hope was expressed that there would be no weakening on what was understood to have been the view of the Cabinet that an agreement on Spain must form an integral part of the final arrangements with Italy and that no agreement could be reached without it.

The Prime Minister said that it had never been in his mind as a *sine quâ non* to an agreement that Italy should withdraw from Spain irrespective of what other countries might be doing. He was satisfied, however, that the Italian Government was very anxious to withdraw their troops and would do their utmost to facilitate an agreement. He hoped, therefore, that the question would not arise as an obstacle to agreement.

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[1] Of February 24, not printed: a copy is filed at R 1714/23/22. This paper formed the substance of Lord Perth's instructions for the Anglo-Italian negotiations: see No. 620 below.

[2] At its 24th meeting on March 1.

The First Lord of the Admiralty reported that just before coming to the Meeting of the Cabinet he had received information from very secret sources that orders had been issued from Rome that Italian aircraft in Majorca were to abstain from attacks for the present even on military targets.[3]

In connection with the limitation of fortifications (C.P.50(38)p.6) the Secretary of State for Foreign Affairs read to the Cabinet a fresh draft paragraph to be substituted for a passage on page 5 of that Paper, dealing with the question of exchange of information on the subject of the establishment of new fortified ports or posts (e.g., aerodromes, etc.)

The Secretary of State for War reminded the Foreign Secretary that the exchange of information was to be accompanied by explanations.

The Secretary of State for Foreign Affairs took a note of this point.

In connection with the Abyssinian subjects (Pages 18 & 19 of C.P.50 (38)) the Secretary of State for the Colonies reminded the Foreign Secretary that it had been understood at the Foreign Policy Committee that Signor Mussolini was to be warned that we should wish these questions to be taken up immediately after the main agreement had been reached.

The Secretary of State for Foreign Affairs agreed, and also mentioned that it was proposed to record the fact that Signor Mussolini had abolished slavery in Abyssinia.

After the Foreign Secretary had explained the proposals for Arabia, the Secretary of State for India expressed his agreement in the formula on page 16 of C.P.50(38), viz.:

> 'That the two Governments agree in so far as they are concerned, to do nothing to disturb the territorial status quo in Arabia and that neither of them will seek to obtain for itself a privileged position on the Arabian coast of the Red Sea.'

In reply to a question as to the Earl of Perth's impressions on the prospects of an agreement, the Foreign Secretary reported the following: first, that the Italians had undoubtedly believed that we were postponing negotiations until our re-armament had advanced so far as to put us in an advantageous position; and, second, that he was convinced that the Italian Government wanted an agreement and would do all they could to secure it, and that if an agreement were reached they hoped that it would result in re-establishing the old friendly relations between the two countries.

The Cabinet agreed

(a) To approve, as the basis for instructions to His Majesty's Ambassador in Rome in the forthcoming conversations, the Memorandum on

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[3] See *Ciano's Diary*, p. 81.

British *desiderata* (C.P.50(38)), including the amendments introduced by the Cabinet Committee on Foreign Policy:

(b) To take note that it was the intention of the Secretary of State for Foreign Affairs to circulate instructions based on (C.P.50(38)), but incorporating the approved amendments.

No. 608

Viscount Halifax to Sir R. Lindsay (Washington)

No. 157 Telegraphic [*A 2127/64/45*]

Very Secret FOREIGN OFFICE, *March 3, 1938, 10.30 p.m.*

Your telegram No. 133.[1]

I am very much gratified to learn that President and Administration consider procedure of His Majesty's Government to be right, and I trust they may be justified in thinking that prospects are favourable. I am confident of their desire to help and His Majesty's Government will be sustained in their efforts by knowledge that they have sympathy of United States.

His Majesty's Government have been compelled to tackle the problem piecemeal. They are beginning with Italy, as continued deterioration of Anglo-Italian relations was becoming an ever-increasing complication. They hope that the restoration of relations of real friendship and confidence between the two countries may produce a satisfactory and lasting *détente* in the Mediterranean and adjoining regions.

British Ambassador in Berlin is seeing Chancellor today (March 3)[2] and we shall hope to be in better position after that to appraise prospects of advance in that quarter from which as President is aware we hope to devise a measure of appeasement in Central and Eastern Europe.

Both these negotiations will doubtless be attended with many difficulties but if these regional agreements can be secured, it may be hoped that danger may be averted, at least for a period.

For any real and lasting betterment of the situation it will doubtless be desirable to seek some scheme of general cooperation in Europe, both political and economic. If the United States Government could at any time see their way to assist or encourage such a development, that would evidently be of the greatest value.

It is for that reason that I propose to keep the United States Government informed of the progress of our negotiations, so that they may, if they will, help us with their advice or criticism, and so that the President may, if he is so disposed, judge whether at any point it might be opportune for him to take independent but correlated action. I trust he would be willing to give us some warning of any initiative which he may contemplate.

Please convey foregoing to United States Government.

[1] No. 588.

[2] See No. 609 below.

No. 609

Sir N. Henderson (Berlin) to Viscount Halifax (Received March 4, 9.30 a.m.)

No. 70 Telegraphic [*C 1474/42/18*]

Immediate BERLIN, *March 4, 1938, 1.37 a.m.*

I had two hours conversation with Chancellor this evening[1] Herr von Ribbentrop being present together with Herr Schmidt who will draw up full notes which I hope to receive tomorrow or Saturday at latest. Chancellor was in an excitable frame of mind particularly as regards Central Europe, the British press, interference of British Bishops, Members of Parliament and private individuals in the internal affairs of Germany and iniquities of bolshevism.

I began by laying stress on secret nature of conversation which I said constituted sequel to your visit to Berlin in November last. Before speaking in the sense of your instructions I made the following points which I described as personal observations:

My approach to the Chancellor was with a view to explaining the lines on which His Majesty's Government contemplated further advance and to ascertain the views of Germany thereon.

His Majesty's Government must first be clear on this point since only thereafter could they bring other Powers into discussion.

That it was not a question of bargaining: That *Leitmotiv* for His Majesty's Government was to establish basis for genuine friendship with Germany and to introduce new spirit into our mutual relations:

That difficulties were obviously great, but not I hoped insuperable:

That His Majesty's Government regarded the present moment as a favourable one for an attempt to improve our relations:

That this attempt would be bound to fail unless both sides were prepared to make their respective contributions, that no agreement was worth anything without reciprocity;

An indispensable condition of an eventual agreement must be co-operation of Germany in fixing peace and tranquil[l]ity in Europe; and finally that Chancellor in his conversation with you had emphasized difference between free forces and higher reasons; that His Majesty's Government's main interest was that latter should prevail and that it was in that sense I had been instructed to make the following official communication to him.

I then spoke in exact sense of the instructions in Mr. Eden's despatch No. 164,[2] reading verbatim in German a translation of your telegram No. 55[3] about Austria and of colonial paragraph of despatch under reference (I left these texts with Herr Schmidt).

At conclusion of this statement which was uninterrupted I summed up by asking the Chancellor to let me have his views as to (a) German co-operation in proposed new colonial régime and (b) as to the contribution which in his opinion Germany could make towards restoration of tranquil[l]ity and confidence in Europe.

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[1] i.e. March 3.

[2] No. 512.

[3] No. 599.

The Chancellor began his reply with a description of his original intense desire to be friends with Great Britain and of his subsequent . . .[4] at rebuffs to which he had been exposed. This was followed by diatribes on points already mentioned following [*sic*] interspersed with protests on my part at complete injustice of certain of his remarks. I would however rather await copious notes made by Herr Schmidt thereon than attempt to give you now any full summary of them.

Generally speaking however gist of an abundance of at times passionate invective, particularly to begin with, was as follows:

Good relations with England were impossible so long as press continued to poison them by its attacks on himself and in regard to internal matters which were the sole concern of Germany (here I gave account of your telegrams Nos. 61 and 62.[5] Ideas of both Chancellor and Herr von Ribbentrop as regards Vansittart committee[6] were in this connexion quite grotesque).

Good relations were impossible so long as Great Britain continued at Vienna and Prague to encourage these governments in oppressing Germans (here I made the obvious retort).

German armaments were not directed against England but against Russia and it would be impossible to reduce them unless Russia were brought into line and even then Russia was not to be trusted.

Colonial question was not yet, he feared, ripe for settlement and it would be better to wait for a few years.

What he was most categorical about was his determination to protect interests of ten million Germans living outside the Reich. For them he was prepared to go to war at whatever cost. If there were a plebiscite in Austria Dr. Schuschnigg would not have the support, so he said, of fifteen per cent of the population. Worst service England could render to Austria would be to encourage Dr. Schuschnigg to oppose execution of Berchtesgaden agreement. If he loyally abode by it he (Herr Hitler) did not ask more. That was all he wanted but there would certainly be an explosion if Dr. Schuschnigg did not do so.

It was the same so far as Czechoslovakia was concerned. He was perfectly willing to live in peace and amity with that country but only on condition that Sudeten obtained full equality. He mentioned autonomy in this connexion. In both cases of Austria and Czechoslovakia it was the same thing. If Great Britain really desired German friendship it was indispensable that His Majesty's Government should make it quite clear both at Vienna and Prague that they would not encourage those governments in refusing proper treatment to nationals of German origin. If His Majesty's Government could not see their way to do so then it was useless to talk about an understanding. But whether they did or did not and if needs be at the price of war Germany would not tolerate longer the persecution of citizens of German race. And so on and so forth—my own objections on unreasonableness and injustice of his outbursts merely producing a fresh flow of eloquence or repetition of his assertions. I must add in this connexion that the rare inventions [?interventions] of Herr von Ribbentrop in the discussion were invariably most unhelpful and so far as Great Britain was concerned most misleading.

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[4] The text was here uncertain.

[5] Cf. March 2, not printed (C 1431/1261/18).

[6] i.e. the Committee for the Co-ordination of British Publicity Abroad, established in January 1938 with Sir R. Vansittart as Chairman: see Philip M. Taylor, *The Projection of Britain* (Cambridge, 1981), Chapter 6.

Towards the end of our conversation the Chancellor calmed down considerably though he in no way modified his attitude so far as Central Europe was concerned. He said he would like to study Zone of Congo Treaty of 1885 and would give me in the course of the next day or so a written answer on that point. I have little doubt that it will be on lines that provided German freedom in respect of currency and other matters is not restricted and that German demands in other colonial respects are favourably considered (i.e. Cameroons) he will not in principle refuse to participate in new colonial régime contemplated.

So far as armament restrictions are concerned he adopted the line that difficulties in view of Russia seemed insuperable though he did not withdraw his original proposals for humanising aerial warfare by international convention as regards prohibition of bombing. Abolition of bombers themselves seemed to him unpracticable [*sic*] in view of Russia and he referred in this connexion to recent speech of Voroshiloff's as regards use of poison gas etc.[7]

My general impressions follow in my immediately following telegram.[8]

[7] Presumably a reference to General Voroshiloff's speech at Riga on February 22 on the twentieth anniversary of the Red Army: see *The Times*, February 23, 1938, p. 16.

[8] No. 610 below.

No. 610

Sir N. Henderson (Berlin) to Viscount Halifax (Received March 4, 9.30 a.m.)

No. 71 Telegraphic [*C 1475/42/18*]

Immediate BERLIN, *March 4, 1938, 1.38 a.m.*

My immediately preceding telegram.[1]

Interview showed the Chancellor to be still suffering from feeling of resentment which inspired his Reichstag speech[2] and which Dr. Schuschnigg's speech[3] did not serve to allay. His remarks on Austria bear out the account I have already given you of his intentions namely that he proposes to proceed with his declared policy regardless of consequences and only force will stop him. As regards Czechoslovakia his view is that present situation is intolerable and must be modified by negotiation or by dictation. Here again only force will be effective.

In fact Herr Hitler's whole attitude clearly shows how unpromising is the policy of those who think that he may be deflected from his aims in Central

[1] No. 609.

[2] See No. 567.

[3] See No. 584.

Europe by French and British expressions of disapproval. If offer of British friendship and prospect of a colonial settlement are not sufficient to deter him or to secure even a temporary halt how much less effective is likely to be an ambiguous warning which is not backed up with a show of force.

Conclusion to be reached is that Herr Hitler is willing to leave colonial question in cold storage for some years (as foreshadowed in his press statement before your visit and his last Reichstag speech) pending a settlement in Central Europe (see also *Mein Kampf* page 1).[4]

I am afraid that this coupled with his remarks on disarmament and abolition of bombing is far from encouraging. Nevertheless conversation has had following positive results:

1. Herr Hitler has made his intentions in Central Europe quite clear.
2. He admits that solution of colonial question is not a matter of immediate urgency.
3. German Government cannot justify complaint that your conversation has not been followed up.[5]

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[4] Paragraph 2, page 1, of *Mein Kampf* contains the statement: 'Das deutsche Volk besitzt solange kein moralisches Recht zu kolonialpolitischer Tätigkeit, solange es nicht einmal seine eigenen Sönne in einen gemeinsamen Staat zu fassen vermag.'

[5] There are lengthy minutes giving the Foreign Office's comments on Sir N. Henderson's three telegrams (Nos. 609, 610, 611 below) on the interview and on the full German account of it (No. 614 note 2). A minute by Mr. Strang included the following remarks.

'The impression one gets from this interview is that it is quite useless to appeal to Herr Hitler's reason, and that nothing less than an express statement to him that, so far as we are concerned, he can do what he likes in Austria and Czechoslovakia, will satisfy him. Though it may perhaps be true that Herr Hitler is materially in a position to do what he likes in Central Europe, I am sure that it would not be in their own interest, or in the interest of peace, for H.M.G. to give him a free hand in these wide terms. What Herr Hitler says he wants is: (1) the loyal execution of the Berchtesgaden agreement by Dr. Schuschnigg; and (2) full equality for the *Sudetendeutschen*, amounting perhaps to autonomy. But the apparent moderation of these demands is destroyed by the military threat that accompanies them, especially if we remember Goering's recent fire-eating words about the use of the German Air Force. As regards (1), we have certainly not "encouraged Dr. Schuschnigg to oppose the execution of the Berchtesgaden agreement"; . . . As regards (2), we have consistently advised the Czechs to remove any reasonable grievances of the *Sudetendeutschen*, and the Germans know this . . . The one positive element in Herr Hitler's remarks is his statement that he does not withdraw his proposals for humanising aerial warfare . . . The depressing thing about this interview is not merely Hitler's violence. With Germany we must expect a truculent response to a conciliatory advance . . . The trouble is that the Germans clearly do not want conversations with us at all at present. It would be best, I think, to take a stiff line with von Ribbentrop, when he comes next week. We have (1) opened the colonial question; (2) gone very far about the press; (3) taken a reasonable line about Central Europe; (4) expressed readiness to pursue Herr Hitler's proposal about air bombardment. We had better point this out to him and suggest that he should go back to Berlin and think again. W. Strang. March 5th, 1938.'

Sir A. Cadogan wrote: 'If this attitude is maintained, I fail to see how we can find any basis for a settlement. In that case we might at least be able to show that we had made a reasonable and conciliatory approach to Germany, and had been rebuffed . . . I expect we shall have to be prepared for a frank talk with von Ribbentrop, as Mr. Strang suggests . . . A.C. March 5, 1938.'

Lord Halifax wrote: 'I agree generally that it looks like a straight talk with Von R. And I think Sir N. Henderson's interview gives us good material for it. We ought to get interim telegrams off as soon as possible to U.S.A. & France (& others?). Let us discuss early. H. 6/3.'

No. 611

Sir N. Henderson (Berlin) to Viscount Halifax (Received March 4, 7 p.m.)

No. 72 Telegraphic [*C 1502/42/18*]

BERLIN, *March 4, 1938, 6.42 p.m.*

Herr von Ribbentrop told me yesterday that he would be going to London on February [*sic*] 8th.[1]

His interventions in yesterday's conversation were such as to evoke protests on my part almost as heated as Chancellor's language about the Press and Austria.

He endeavoured for instance to prove, by means of some confused story, which it was impossible even to understand, about Reuter's correspondents abroad, that activities of the Vansittart Committee were not as I stated them to be. (I have given him today in writing the facts as communicated in your telegram 62,[2] and have expressed hope that this misapprehension may now finally be removed.)

He also attempted to convince the Chancellor on the strength of the outspoken language used by His Majesty's Minister at Vienna to Herr von Papen (as reported in his despatch No. 58, February 24th)[3] that His Majesty's Government had endeavoured to upset Berchtesgaden agreement.

He may have good intentions, as he repeatedly assures me he has, but in all matters affecting England the information which he gives to the Chancellor is obviously and utterly misleading.

[1] See No. 618 below.

[2] See No. 609, note 5.

[3] No. 587.

No. 612

Sir N. Henderson (Berlin) to Viscount Halifax (Received March 5, 9.30 a.m.)

No. 73 Telegraphic [*C 1504/42/18*]

BERLIN, *March 4, 1938, 9.5 p.m.*

French Ambassador called on me today in order to obtain information respecting my interview with Chancellor.[1]

I told him that there was little that I could say. Interview had been arranged with a view to eliciting Herr Hitler's views both as regards Central Europe and colonies but that nothing very new had transpired and great part of the conversation had been on the subject of the press. French Ambassador did not show interest about colonial proposals but so far as Austria and Czechoslovakia were concerned . . .[2] and rather than give him any false impression, I said Herr Hitler did not appear willing to give any definite guarantees for peaceful settlement except on conditions of which he himself in last resort would presumably be interpreter regarding just treatment of what

[1] See No. 609.

[2] The text was here uncertain.

Herr Hitler recently described as ten million German nationals living outside the Reich.

French Ambassador was extremely pessimistic both as regards early fate of Austria as well as chances of ultimately being able to keep peace in Europe.

No. 613

Sir E. Phipps (Paris) to Viscount Halifax (Received March 5)

No. 134 Saving: Telegraphic [*R 2097/137/3*]

PARIS, *March 4, 1938*

The Minister for Foreign Affairs dined at the Embassy last night. He is still greatly perturbed over Austria and feels it is dangerous to conceal from Hitler the danger that would be entailed by German aggression on that country.

M. Delbos says that once Hitler has seized Austria he will undoubtedly proceed to attack Czechoslovakia, and in that case France will faithfully and unhesitatingly carry out her engagements towards the latter. This means war, in which France will be fighting for her existence, and Great Britain will not be able to stand aside.

All this, M. Delbos urges, can be averted by firm language at Berlin, without any trace of threats, while there is still time.

I reminded M. Delbos of the warning that Sir Nevile Henderson had been instructed to convey to Hitler at his interview yesterday,[1] but His Excellency declines to believe that that warning will be couched in language sufficiently firm to convince Hitler that the destruction of Austrian independence will be merely the first step on the slippery slope leading to general war.[2]

[1] See No. 599.

[2] Cf. No. 592, note 7.

No. 614

Sir N. Henderson (Berlin) to Viscount Halifax (Received March 7)

No. 217 [*C 1524/42/18*]

BERLIN, *March 5, 1938*

My Lord,

With reference to my telegram No. 74[1] I have the honour to transmit herewith a translation of the notes of my conversation with the Chancellor prepared by Herr Schmidt.[2] I have made some slight verbal alterations in

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[1] Of March 4, not printed (C 1495/42/18).

[2] Not printed here: a copy is filed at C 1524/42/18. Another translation, made by the editors of the German documents, is printed in *D.G.F.P.*, Series D, volume i, No. 138. This translation shows the original German text before the 'slight verbal alterations' to which Sir N. Henderson refers.

Herr Schmidt's notes in order to make the record conform more accurately with my recollection of what was said. With a view to avoiding any possibility of misunderstanding I have forwarded to Herr Schmidt a copy of my translation and have drawn his attention to the modifications I have made.[3]

2. I propose to send you some observations on these notes by the next bag, which leaves Berlin on March 10th.[4]

I have, etc.,
NEVILE HENDERSON

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[3] Sir N. Henderson's alterations included the deletion of the following paragraph, which followed a reference by Herr von Ribbentrop to what he described as 'the dramatic interview between the British Minister in Vienna and Herr von Papen' (cf. No. 587). 'The British Ambassador pointed out that these statements by the Minister did not necessarily represent the opinion of the British Government and declared that he, Sir Nevile Henderson, had himself often advocated the *Anschluss*.' In requesting the deletion of this paragraph Sir N. Henderson wrote to Herr von Ribbentrop (*D.G.F.P.*, *ibid.*, No. 139): 'I never said that I have spoken here in favour of the *Anschluss*. What I did say was that I had sometimes expressed personal views which may not have been entirely in accordance with those of my Government.'

[4] See No. 615 below.

No. 615

Sir N. Henderson (Berlin) to Viscount Halifax (Received March 11)

No. 225 [*C 1657/42/18*]

Very Confidential BERLIN, *March 5, 1938*

My Lord,

I had the honour to forward to you by air mail in my despatch No. 217 of the 5th instant,[1] a translation of the notes compiled by Herr Schmidt of my interview with the Chancellor on March 3rd. The conversation was conducted throughout in German, but it was at my suggestion that Herr Schmidt was present, partly because I did not feel myself competent enough accurately to understand and report all that Herr Hitler might say to me and partly because I hoped that a written record might carry more weight with the Chancellor than mere words.

2. What I chiefly felt during our conversation was the difficulty of finding a common basis for reasonable discussion. Hitler's sense of values is so abnormal that argument seems powerless. The ordinary rules of the game seem to have no meaning for him and some of the statements which he makes and which, to give him his due, I am sure that he believes himself to be true, leave one aghast. In referring to the Niemöller trial,[2] for instance, he asserted with the

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[1] No. 614.

[2] Pastor Niemöller, a minister of the German Evangelical Church, had been arrested at the beginning of July, 1937, but his trial for attacks on the Party and State did not begin until February 7, 1938. On March 2 he was sentenced to a fine and seven months' imprisonment, which he was judged to have already served. He was not, however, released, but sent to Sachsenhausen concentration camp.

utmost emphasis and conviction that nowhere in the world was religion freer than in Germany! On other occasions he declared that Germany would never have agreed to an armistice in 1918 if she had not relied on President Wilson's fourteen points; or, again, that Germany would never have lost her colonies at all if she had not trusted in the neutrality clauses of the Berlin Act of 1885. His capacity for self-deception and his incapacity to see any point which does not meet his own case are fantastic, and no perversion of the truth seems too great for him to accept as the gospel of Hitler and of Germany. It is possible that his influence over his own countrymen is based on these very characteristics. He sweeps aside their own doubts and inferiority complexes and compels them to believe what he wants them to believe. They have never seen or heard anything like it and I doubt if the world has. With what dictator, past or present, can he be compared? It would be the mystery of the age how he has achieved the position he holds if it were not for his sublime faith in his own mission and that of Germany in the world, and for the undoubted fact that he is a constructive genius, a builder and not a mere demagogue. Those are the qualities which, together with his instinct for doing the right thing—for Germany—at the right moment and getting away with it, invest him with the supreme authority which he wields over his countrymen.

3. But they are not qualities which facilitate reasonable discussion, nor did the presence of Herr von Ribbentrop serve to make things easier. Quite the reverse, since Hitler was obviously only too ready to believe the erroneous conceptions about England to which his ex-Ambassador to London obstinately adheres. One of these is that His Majesty's Government could, if they so desired, modify the attitude of the British press at any time and in whatever sense they wished. Like his master he also seems impervious to argument.

4. Fortunately, Ribbentrop's excursions into the conversation were not numerous, for on every single occasion they were unhelpful and misleading. Whether it was a matter of the British press or the Vansittart Committee[3] or South-West Africa, his remarks were so unfounded and so inaccurate as to compel me to speak exceedingly plainly and indeed, at times, abruptly. I got the impression, however, that Hitler himself did not resent this and he actually smiled for the first time during our interview when, at a highly improper remark of Ribbentrop's about the News Department of the Foreign Office, I turned to Herr Schmidt and requested him to expunge it from his notes not only because I could neither accept nor listen to it but because the fact that Herr von Ribbentrop had made it would certainly be the best way of indisposing His Majesty's Government. Similarly as regards the Vansittart Committee, he was so sceptical of the truth that I was obliged at last to ask the Chancellor to accept my word of honour that the the facts were as I stated them to be and not as his Minister chose to assert. As regards South-West Africa, Ribbentrop, pointing to it on the globe, observed that, if His Majesty's Government in the United Kingdom wished, they had only to say so to compel the Union of South Africa to restore that territory to Germany. I told the Minister that I was amazed that someone who had been Ambassador in

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[3] See No. 609, note 6.

London and lived in the British Empire should know so little about that Empire as to make such an incorrect statement.

5. Nevertheless, strange though it may sound, I believe that Ribbentrop is still inspired by the ambition to be regarded as the author of an Anglo-German understanding. It is not ill-will but vanity and wrongheadedness which lead him astray and which are so unfortunate in view of the position which he occupies vis-à-vis the Chancellor. The latter's abnormally extreme sensitiveness to press criticism is bad enough and a factor in the situation which has to be taken into serious account. But when the smouldering embers of Hitler's own resentment are fanned by the obsequious incitements of Ribbentrop the result is the fire of the Reichstag speech of 20th February[4] or the flames of bitterness displayed in the conversation on 3rd March.

6. Herr Schmidt's notes give, on the whole, a mild version of Hitler's remarks. Though edited in the first instance by Ribbentrop they give, nevertheless, an accurate account of the conversation. It was obvious from the start that Hitler was in one of his bad moods—which, if report be true, are becoming more and more frequent with him. Though he greeted me civilly enough his smile was forced. I began by asking him to make allowances for the inadequacy of my German and to have patience while I explained to him the purpose of my visit. While he listened to the end without interruption, he sat glowering in his chair with a scowl which grew even blacker when I referred to Central Europe. When I reached the colonial proposal he was twitching too much and his blood was boiling too excitedly to allow him, I think, to grasp at first the significance of the British suggestion. My impression was that he was by that time only thinking of what he was going to say to me.[5]

7. In fact, as soon as I had finished, he burst out with his pent-up feelings. I would describe his language as bitter as regards his old theme of unrequited love for Britain; virulent as regards the British press and the interference of bishops, members of Parliament and other private individuals in the internal affairs of Germany; and uncompromisingly violent as regards Germany's determination to interest herself in the fate of the Germans living outside the Reich.

8. In this latter respect he repeated more than once his absolute resolution, even at the cost of war, to brook no foreign interference in what he claimed to be his inalienable right—the same right as we, he said, would exercise in the case of the Northern Irish—to secure fair and honourable treatment for the

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[4] See No. 567.

[5] Herr Schmidt makes a brief reference to the interview in his memoirs, *Statist auf diplomatischer Bühne 1923–45*. After remarking that Herr Hitler had been 'offen und freundlich zu Henderson' at the 1937 *Parteitag* he commented: 'Sonst aber schien sich in Hitler beim Anblick und beim Anhören Hendersons sofort ein innerer Widerstand zu regen. Das war mir besonders bei einer Unterredung Anfang März 1938 aufgefallen, die in Berlin in Hitlers Arbeitszimmer in der Reichskanzlei stattfand. In ihrem Verlauf machte Henderson im Namen seiner Regierung einen sehr bemerkenswerten Vorschlag zur Kolonialfrage . . . Wieder aber war es die Art, wie der englische Botschafter seinen Vorschlag vorbrachte, die Hitler ausserordentlich reizte. Anstatt das Wichtigste vorweg zu nehmen . . . fing Henderson seine Aüsfuhrungen mit einer Reihe von Vorbehalten an' (pp. 390–1).

Austro- and Sudeten Germans. I have no doubt whatsoever that he meant what he said in this respect. Germany may not be ready for war to-day or to-morrow. She probably is not, though it may be a matter of relative values (cf. the present weakness of the French air force). But I think that His Majesty's Government should realise that though he hates war as much as anyone, Hitler will not shrink from war whenever he feels that it may be necessary for Germanism or the moment opportune. If all other things were equal that moment would be when the Rhine fortifications are completed, the Four-Year Plan has been sufficiently organised to guarantee the military economical position, and the present shortcomings in artillery, officers, non-commissioned officers and reserves have been made good; in a word, when his soldiers tell him that the Army is ready to act. In the meantime, as he said on February 20th and as he repeated to me last Thursday, he will go on adding to his armaments. This may mean a qualitative rather than a quantitative increase, but at the same time it is clear that he is not willing seriously to discuss limitation until he is no longer exposed to the risk of having possibly to fight over Central Europe.

9. It is undoubtedly for that reason that he declared himself willing to put the colonies in cold storage for a term of years, lest as part of a colonial settlement we should ask him to tie his hands in Central Europe, which he will not be prepared to do. He remarked several times, the last being when he was saying good-bye to me, that he feared that the time for a colonial settlement was not ripe. To give him his due, I do not believe that he thinks that it will be easier for him later. It is, in my opinion, solely because of the conditions which we now seek to impose about Austria and Czechoslovakia. As Göring said to me a few weeks ago, 'If you offered us the whole of Africa we would not accept it as the price of Austria'.[6] Germanism is Hitler's ruling passion, and for the time being all his thoughts and ambitions are concentrated on Austria and the *Sudetendeutschen*.

10. There again, I do not believe that at this stage Hitler is thinking in terms of the Anschluss or of annexation. Both to-day would merely add to his present difficulties rather than simplify them. I fancy that he was telling the truth when he assured me that if the Berchtesgaden agreement worked he would be satisfied with things as they are and that he was prepared to respect the integrity of Czechoslovakia, provided full equality and cultural autonomy were granted to the Sudeten. On those terms, he said, peace could be maintained in Central Europe and, he added, if Great Britain wants peace and an understanding with Germany, let His Majesty's Government give salutary advice at Vienna and Prague instead of inciting those Governments to ill-treat Germans. I protested against this statement as being unjustified and untrue, and I notice that it has not been recorded in Herr Schmidt's notes. No country, I said, had proved its devotion to the cause of minorities more than England, and our constant advice at Prague had been to that effect. Nor had we, as I understood had been reported to him, endeavoured at Vienna to upset his Berchtesgaden agreement. Austria's independence was

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[6] See No. 536.

guaranteed by the peace treaties and we could not disinterest ourselves from the question of peace in Central Europe. We had not gone further than that. The Berchtesgaden agreement meant peace, retorted Hitler, and without it there would have been civil war because the situation in Austria had become intolerable, and even Schuschnigg realised that fact and because of it had come to Berchtesgaden. At this point Ribbentrop intervened to observe that no pressure at all had been exercised there on Schuschnigg and quoted a conversation between Mr. Palairet and Herr von Papen as proof that His Majesty's Government had in fact, as he said, actively intervened against a peaceful solution. This produced another passage of arms between Ribbentrop and myself, though I had not, unfortunately, at the time read Mr. Palairet's despatch No. 58 of February 24th[7] in which he describes the conversation in question, which was far from being the 'dramatic' encounter which Ribbentrop alleged it to have been.

11. It was not till about two-thirds of the way through that the tension relaxed. Hitler then got up to look at Africa on the globe which stands in his study. From that moment his irritability grew distinctly less acute. Possible the idea of a colonial settlement began at last to glimmer through the fog of press propaganda and the sad fate of Germans beyond the beneficent pale of Nazism. His first idea was, I think, that we were trying to fob him off with something in which his economic freedom of action would be restricted and which he would not truly be able to call his own. He kept asking what portion would be allotted to Germany and saying that all depended on that. I told him that I could give him no idea and that I had merely been instructed to enquire whether, provided Germany got part of it, she would be willing to co-operate in this new régime of colonial administration. It was at this stage that he referred for the second time to President Wilson's fourteen points and to the neutrality clauses of the Berlin Agreement. During the discussion of that agreement Ribbentrop also asked whether it was the intention of His Majesty's Government to restrict the colonial solution to the area in question. I replied that the Congo basin proposal did not exclude the possibility of other arrangements being made.

12. I would note in this connexion that Ribbentrop's enquiry and my answer were not included in the original copy of Herr Schmidt's notes but were inserted forty-eight hours later at the Minister's request. It would seem as if the point was not appreciated until the regular officials at the Ministry for Foreign Affairs who have been charged with this task set to work seriously to elaborate the written reply which the Chancellor has undertaken to furnish in due course.

13. After mentioning several times that all that Germany wanted was to get her old colonies back and getting no reply from me to that assertion, Hitler finally turned to Ribbentrop and said that a careful study must be made of the Congo Basin treaties before he could give me any considered reply on the colonial proposal put forward to him by His Majesty's Government. The

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[7] No. 587.

reply would, he said, be in writing, though to the last he maintained that the time was not ripe for a colonial settlement.

14. I must admit that my interview with the Chancellor left me with a feeling of profound discouragement. My instructions were to ascertain, firstly, whether Germany was prepared to make some concrete contribution towards world peace and security by means of assurances in regard to Austria and Czechoslovakia and by some form of restriction of armaments, notably in respect of aerial bombing or the abolition of bombing aeroplanes; and secondly, to ascertain the Chancellor's views on a proposal for German co-operation in a new colonial régime in an area corresponding roughly to the Congo Basin.

15. Broadly speaking, the Chancellor's answer was as follows: 'My solution of Austria and Czechoslovakia is the only one which is calculated to give peace and security to Central Europe. You do not yet realise that fact and until you do I fear that the time has not yet come for a colonial settlement. Nor, so long as there is a risk of a general war as the result of foreign opposition to my right to safeguard the interests of the Germans living outside the Reich, can I discuss arms limitation either, though I am still in favour of the humanisation of aerial warfare.' Such a reply would seem, indeed, completely negative if it were not for the fact that Herr Hitler has undertaken to furnish a written reply on the colonial proposal, thereby indicating at least his unwillingness to allow the approach, which began with your visit to Berlin last November, to drop altogether.

16. I was tempted to say to Herr Hitler that I saw little advantage in his observations on the colonial proposal so long as he did not see his way to hold out the prospect of some German concrete counter-contribution. I refrained from doing so partly because I felt that it might at any rate be useful to learn his views on the proposed new colonial régime, and partly because I hope that the knowledge of the standpoint adopted by His Majesty's Government as regards Central Europe may yet give him pause. I believe time to be essential there and I am optimistic enough to think that, in spite of his uncompromising language, my representations to him may not have remained entirely without effect.

17. After lasting nearly two hours our conversation terminated on quite a pleasant note. I had brought with me a pencil drawing of Hitler which a Miss Colley had sent me from New Zealand with the request that the Chancellor would sign it for her. On the list which she sent me of personalities who had already done her this honour was the name of the Prime Minister. I mentioned this to Hitler who, after looking at the drawing and approving it, readily acquiesced. While he was signing it I observed that while His Majesty's Government and we ourselves would probably have got little satisfaction out of our long interview, the Chancellor would at least have made one young woman happy!

18. I then left accompanied by Herr Schmidt who was walking in my direction. I remarked to him that I had found the Chancellor in a very excitable frame of mind. Herr Schmidt replied that he had seen worse and

regarded as a good sign the fact that Herr Hitler had promised a written reply. It meant, he said, that the Führer intended to reflect. I told him that I thought reflection would be quite useful: without it I saw little profit in my interview.

I have, etc.,
NEVILE HENDERSON

No. 616

Sir R. Lindsay (Washington) to Viscount Halifax
(Received March 8, 9.30 a.m.)

No. 146 Telegraphic [*A 2127/64/45*]

Very Secret WASHINGTON, *March 7, 1938, 10.14 p.m.*

Your telegram No. 157.[1]

I gave this message today to Under Secretary of State and he made the following comments:

(1) He said that word 'right' in paragraph 1 arrested his attention. He had not meant to go so far as to say that procedure of his Majesty's Government was either right or wrong. It would have been more accurate to say that the Administration regarded the present course and objections [? objectives] of His Majesty's Government as wise and hoped that they would meet with every success. (I do not think that hair-splitting is very important. His real purpose was, I am convinced, to dissociate himself and the President from expression of views as to recent events in London, insofar as they led to the resignation of your predecessor. With the policy now being followed he said that the State Department was in agreement. Political appeasement in Europe which it aimed at was urgent necessity and economic plan had had that as its sole objective).

(2) He asked me what was meant by the phrase 'scheme of general co-operation in Europe both political and economic.' I said that I had no more to go on than he had but it seemed to me that if political appeasement could be achieved a very difficult time would come for those countries now on a footing of war-economy before they could turn over to a system of peace-economy and that then help and co-operation by others would indeed be needed. He accepted this as a reasonable interpretation.

(3) Referring to 'any initiative' by the President (last sentence of your telegram under reply) he said the President had no initiative in contemplation other than the plan which had been communicated to His Majesty's Government. That plan he had put aside for the present and he was content to watch the course of the forthcoming conversations with every wish for their complete success.

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[1] No. 608.

No. 617

Viscount Halifax to Sir E. Phipps (Paris)

No. 47[1] *Saving: Telegraphic* [*C 1525/42/18*]

FOREIGN OFFICE, *March 7, 1938*

My telegram No. 28 Saving.[2]

You should now make a further oral communication to the French Minister for Foreign Affairs in the terms shown below, emphasising the need for absolute secrecy.

Begins: His Majesty's Ambassador in Berlin had a conversation with Herr Hitler on March 3rd, Herr von Ribbentrop being present, and spoke according to his instructions. Herr Hitler was in an excitable mood and spoke at some length on his favourite topics of bolshevism and the incitements of the foreign press particlarly the British. On the main points under discussion his attitude may be summarised as follows:

He doubted whether colonial question was yet ripe for solution in view of the fact that Paris and London had set themselves too strongly against a return of Germany's former colonies, and considered therefore that a settlement might have to wait for some years. He would send a written communication later in reply to the soundings which Sir N. Henderson made with the object of finding out on what lines a solution of the colonial question might eventually be possible.

As regards Central Europe, Herr Hitler adopted an uncompromising, indeed a vehement, attitude. Germany, he said, would not allow third parties to interfere in the settlement of her relationships with countries of the same nationality or countries with large German populations. He went so far as to accuse French and British Governments of deliberate steps intended to obstruct his peaceful endeavours to secure alleviation for oppressed Germans in Austria. Germany, he said, would have to intervene if Germans were oppressed in Central Europe. She could not remain neutral if there were internal explosions in Austria or Czechoslovakia. It was in order to avoid such an explosion in Austria that Berchtesgaden agreement had been concluded, and if the Austrian Government carried out their undertakings the former difficulties might now be regarded as removed. In Czechoslovakia the Germans must be guaranteed the autonomy in cultural and other matters to which they were entitled, in order that a satisfactory solution might be reached.

As regards limitation of armaments, Chancellor maintained that His Majesty's Government would have to begin any discussions with Russia; Germany was not arming against England, and any arms limitation was in essentials dependent on Soviet Russia, which was in any case a country which could not be trusted to keep its treaty engagements. Herr Hitler referred to a recent speech by Voroshiloff[3] plainly announcing that Soviet forces would make ruthless use of poison gas; and the Chancellor added, when asked for his view regarding the prohibition of air bombing, that he had long ago made known his attitude on that question, and could only add that, if the Soviet Union were today to declare their readiness to refrain from the use of poison gas bombs, it would be impossible to place any faith in such a declaration.

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[1] No. 166 to Washington.

[2] No. 515.

[3] See No. 609, note 7.

His Majesty's Ambassador of course corrected the Chancellor's inaccuracies and protested strongly against his false insinuations.

The promised written communication has not yet been received.

Herr von Ribbentrop is coming to London for 2 or 3 days this week and I propose to have an interview with him, of which the French/United Stated Government will be informed in due course.[4] Ends.

Repeated to Berlin No. 15 Saving by bag.

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[4] See Third Series, Volume I, Nos. 8, 9, and 44.

No. 618

Sir N. Henderson (Berlin) to Viscount Halifax (Received March 8, 9.40 p.m.)

No. 79 Telegraphic [*C 1618/42/18*]

BERLIN, *March 8, 1938, 8.38 p.m.*

Herr von Ribbentrop leaves tonight for London and hopes if possible to stop over the week-end in England with friends. After his visit he will I understand go straight to Berchtesgaden.

I called on him yesterday. He says less in longer time than anyone I have met. He has got press campaign on the brain like his master and though I hope he is a little more reasonable than he was about government influence he is still sceptical. I did not mention colonial broadcast to him (see your telegram No. 65)[1] my advice to him was that a secretary should burn 9/10ths of foreign press before it reached the Chancellor.

I do not know when to expect written reply to our colonial suggestion nor do I propose to show any anxiety on the subject. I presume Herr von Ribbentrop will discuss all these questions with you. He talked so much yesterday about what Great Britain should do that I warned him at last that you would be expecting rather to hear what Germany would be prepared to do. His reply was 'What can we do? We have nothing to give'.

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[1] This telegram of March 4 informed Sir N. Henderson of the cancellation of a proposed BBC broadcast on March 11 on the question of handing back colonies to Germany, in which Mr. L. S. Amery, Secretary of State for the Colonies 1924–9, Mr. George Glasgow, writer and journalist, and Mr. Harold Nicolson, author and former member of the Foreign Office, were to take part. The BBC had asked the Foreign Office for their opinion of the advisability of going ahead with the broadcast, and the matter was considered at a Cabinet meeting on March 2, when it was decided that Lord Halifax should ask Sir J. Reith, Director General of the BBC, if he would cancel the broadcast on his own responsibility. Telegram No. 65 to Berlin stressed that it should be made clear to Herr Hitler that the BBC acted on their own initiative and not as a result of government pressure.

Baron von Neurath whom I saw today told me that Herr Hitler had sent for him after my interview and discussed our conversation[2] for 2½ hours. So at least the Chancellor is reflecting which is the only good sign I have yet discovered. I gathered from Baron von Neurath that Herr Hitler would himself draft reply to His Majesty's Government but that he hopes to see it before it is despatched.

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[2] See No. 609.

No. 619

Sir E. Phipps (Paris) to Viscount Halifax (Received March 9)

No. 140 Saving: Telegraphic [*C 1575/42/18*]

PARIS, *March 8, 1938*

Your telegram No. 47 Saving[1] of March 7th.

I informed the Minister for Foreign Affairs today accordingly under the seal of secrecy.

Monsieur Delbos asked me to thank Your Lordship for this communication. He feels that Herr Hitler's attitude bodes ill for the future, and that we must rely more and more upon our armed strength.

His Excellency hopes that the Führer's inaccuracies and false insinuations will be again contradicted when Herr von Ribbentrop comes to London, and that the warning in regard to Austria will be clearly conveyed to him then.

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[1] No. 617.

CHAPTER VII

Documents[1] relating to the conclusion of the Anglo-Italian Agreement of April 16, 1938

March 4–August 4, 1938

No. 620

Viscount Halifax to the Earl of Perth (Rome)

No. 297 [*R 2006/23/22*]

Secret FOREIGN OFFICE, *March 4, 1938*

My Lord,

You will have learned from my predecessor's despatch No. 217A of the 18th February and my despatch No. 236 of the 21st February[2] that the question of initiating conversations with the Italian Government has recently been discussed with the Italian Ambassador in London. As a result of this discussion your Excellency was summoned back to London in order that I and my colleagues of the Government might have the benefit of your advice in reaching decisions as to the scope of the proposed conversations and the manner in which they should be conducted.

2. I transmit to your Excellency herewith the decisions of His Majesty's Government in the matter and authorise you on your return to Rome to initiate conversations forthwith with the Italian Minister for Foreign Affairs on the lines laid down in the enclosure in this despatch.

3. I am sending a copy of this despatch to His Majesty's Ambassador in Paris.

I am, &c.,
HALIFAX

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[1] These documents are printed in accordance with the promise in the introductory note to Chapter VI of Volume III of the Third Series of this Collection, published in 1950, that the diplomatic exchanges leading up to the signature of the Anglo-Italian Agreement would be dealt with in a volume in Series II.

[2] Despatch No. 217A comprised the first eleven paragraphs of despatch No. 236 (No. 573): see *ibid.*, note 1.

ENCLOSURE IN No. 620

Instructions to His Majesty's Ambassador in Rome for his guidance in the forthcoming Anglo-Italian conversations

Part I. Mediterranean and general subjects
Part II. Near and Middle East subjects
Part III. Abyssinian subjects
Part IV. Annexes

Part I. Mediterranean and General Subjects

GENERAL

In selecting the concessions we desire from the Italians, we should endeavour to include matters where French interests will also stand to benefit, particularly where Spain and the Libyan garrison are concerned. This is all the more necessary inasmuch as the French will not themselves be participating in the conversations, and to that extent we shall, so to speak, be in charge of their interests.

SPAIN

While it is desirable that the question of intervention in Spain should remain within the province of the Non-Intervention Committee, it is essential that the Spanish question should figure in some way formally in the agenda for the conversations. An endeavour should be made to induce Count Ciano to consent to its purely formal inclusion on the understanding that the Non-Intervention Committee will continue to deal with the task allotted to it under the terms of the Non-Intervention Agreement. If, however, owing to Italian action things do not go well in that committee, the British Ambassador in Rome should be instructed in any particular case to draw the attention of Count Ciano to the difficulties and ask for his help in solving them.

A reaffirmation of the Mediterranean Agreement of the 2nd January, 1937,[3] regarding the maintenance of the territorial status quo in Spain should be obtained. It should be noted that Count Ciano has already expressed willingness to agree to this (see Rome telegram No. 83 of the 22nd January [*sic*]).[4] An endeavour should also be made to devise a method for enabling the French Government to accede to the agreement. His Majesty's Ambassador might make a personal suggestion when this point is discussed that, in view of public opinion, it would be very desirable if the Italian Government would make a gesture withdrawing their forces from the Balearic Islands and ceasing to use them as a base. It is unlikely that the Italian Government will agree to such a sweeping proposal, but they may well concur in withdrawal of at least a considerable number of these forces.

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[3] See Volume XVII, No. 530.

[4] No. 575 (of February 22, 1938).

LIBYAN GARRISON

In 1934, before the Abyssinian dispute, the Italian garrison consisted of about 20,000 native troops. In the course of last year two army corps of white troops were transferred to Libya, and it seems probable that the present garrison consists of about 55,000 white troops together with from 15,000 to 20,000 native troops. In the last months there have been rumours that one, or even two, additional army corps were to be despatched to North Africa. These rumours, however, have not received substantial confirmation, and there is as yet no evidence that any units of these two further corps have yet either been despatched to or landed in Libya.

The existence of this large force constitutes a threat not only to the French in Tunisia, but to Egypt. We should certainly attempt to obtain a reduction of this garrison, but it is doubtful if the Italians would agree to withdraw more than one army corps.

Count Ciano has taken for granted in different conversations that the Libyan garrison would form one of the subjects for discussion. He must now realise that we shall require some reduction of that garrison, and it seems probable that he would be willing to make a conciliatory gesture on this point.

There would certainly be much difficulty in obtaining Italian assent to any restriction of accommodation and supplies for any large air force.

The question of how far Egypt should be consulted and kept informed requires consideration. Up to the moment the Egyptian Government have been assured that they will be kept informed of any subject raised in the conversations which affects Egyptian interests, that no decision on any such subject will be taken without prior consultation with them, and that His Majesty's Government will inform them beforehand of the subjects which they intend to discuss with the Italian Government. The question as to whether we should go any further than this (for example, whether at any stage or in the discussion of any particular subject the Egyptian Government should be represented in the conversations—a course which in Lord Perth's view, would considerably complicate matters) remains to be decided.

EXCHANGE OF MILITARY (IN THE WIDEST SENSE OF THE TERM) INFORMATION

On this point the naval, military and air attachés in Rome received instructions last September as to what they might divulge and what they should ask for in return. The question of such an exchange of information is a desideratum of the Italians, having been raised by Count Grandi in the original instance without authority from Rome. So far as we know, the Italian Government do not set any particular store by the inclusion of such an item in the agenda. Its inclusion, however, seems desirable and should therefore be raised on our initiative. What should be aimed at is a periodical exchange of information (e.g., every six months) relating to military movements of major importance as well as to the size of naval, military and air forces in the Mediterranean and Red Sea; any undertaking to this effect should be accompanied by an understanding that each Government should agree to notify the other Government, with appropriate explanations, of any important movements or reinforcements which it might be found necessary to make over and above those already communicated.

A further matter which should be dealt with in connexion with the proposed exchange of information is the question of fortifications in the Mediterranean and Red Sea; and a formula should be sought whereby each Government would agree to notify the other Government of any projected new work or of the development of existing fortifications.

The League of Nations

It was originally intended that Italy's resumption of co-operation in the League of Nations should be a *sine qua non* of any negotiations with Italy. Recently, however, the Italian Government have definitely severed their link with the League[5] and it is unlikely that they will consent to return to it unless (*a*) Germany returns, and (*b*) the Covenant (in particular article 16) is revised.

So far as can now be foreseen, there is no likelihood of Italy being willing to modify this position—and it would therefore seem to be a tactical mistake to include among our desiderata an item which we are, in this form at least, so little likely to secure.

Recognition of the Italian Conquest of Abyssinia

We are committed in the House of Commons to the attitude that a decision on this point rests not with His Majesty's Government alone, but is one for the League of Nations. When the question of such recognition was first raised last year it was laid down that we should, when the time came, consider this question on its merits and not make use of it as a lever to extract specific concessions from the Italian Government in return. The situation, however, has now altered, since in his note of the 23rd December, 1937, the Italian Chargé d'Affaires was instructed to say that 'The Italian Government are still of the opinion that the problem of relations between Italy and Great Britain should be approached and solved in its entirety and not partially. All the subjects should be discussed, and amongst them naturally also that of the recognition of Italian sovereignty over Ethiopia. This is a purely moral question, but it is a fundamental one for Italian public opinion, and could not, therefore, be left out of a general settlement of Anglo-Italian relations.'[6]

In view of Signor Mussolini's insistence, it is clear that recognition in some form or another will have to be included in the conversations, and it is a question of tactics as to how and when it should be granted. If we are pressed on this point at the outset, possibly the best solution would be to give an undertaking, when the conversations began, that if agreement were reached on all the outstanding questions between His Majesty's Government and

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[5] Cf. No. 387.

[6] See Annex to No. 402.

Italy, His Majesty's Government will at the earliest opportune moment take steps at Geneva with a view to removing the existing obstacles in the way of the recognition of Italian sovereignty over Ethiopia.

Care, however, must be taken not to put the French into the position of being forced to follow our example in conceding recognition without having had an opportunity of making use of this lever to secure a solution of the questions in which they are specially interested.

CENTRAL EUROPE

It had been originally intended to seek from Italy a reaffirmation of the Stresa Resolution regarding Austria.[7] Recent events, however, have shown that as things stand at the moment Italy is not prepared to move where Austrian independence and integrity are concerned.

It seems certain that one of the principal objects in Signor Mussolini's mind in seeking to conclude such an early agreement with us is that his hands should be liberated in order to deal more effectively with the German menace to Austria and Central Europe. He is bitter at the events of Berchtesgaden.[8]

It will, however, obviously be difficult, and seems moreover undesirable, to try and extract from him any pledge as regards his future action in the event of a further German threat to Austrian independence, inasmuch as his willingness to resist Herr Hitler must be expected to result rather from his own resentment than from suggestions on our side. Such suggestions would probably only arouse suspicions and obstruct a development which we hope may ensue in the natural course of events.

There would be nothing, however, to prevent Lord Perth, if he found a favourable and discreet occasion, from encouraging this process in reference either to Austria or to Central and South-Eastern Europe, in whatever way he may think appropriate.

NAVAL TREATY

We should undoubtedly seek to obtain the accession of Italy to the London Naval Treaty of 1936, in the negotiation of which she participated but which she refused to sign at the last moment.[9] Up till Italy's adherence to the anti-Comintern pact between Germany and Japan[10] it was always felt that this would present no difficulty when the actual time for the conversations arose. It is still possible that, notwithstanding the latter event, Italy will prove amenable on this point. In any event, it should be pressed.

One of the great advantages which would result from Italian accession would be that Italy would be technically prevented from disposing of her existing war vessels to other foreign powers, unless completely demilitarised; this has particular importance with reference to Spain.

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[7] See Volume XII, No. 722.

[8] See No. 506, note 3.

[9] See Volume XIII, Nos. 690 and 701.

[10] See No. 274, note 3.

ECONOMIC QUESTIONS

Count Ciano, in conversation with Lord Perth, gave no indication that Italy had any desire to put forward economic points in the forthcoming conversations.

Negotiations started on the 22nd February for reallocation of the quotas under our trade agreement with Italy now that the old debts have been paid off and the quota allotted therefor is free. This aspect of the economic relations between the two countries will, therefore, solve itself presumably in the normal course of events. Hitherto the Italians have let it be known that they were not seeking a loan. It is always possible, however, that they may endeavour to raise one in London and to obtain better credit terms generally in the City. It is felt that we should take no initiative in this respect, but leave it to the Italians to raise the question themselves.

There are, however, other more general fields, such as currency reform, restriction on quotas, Danubian economic reform, the van Zeeland report,[11] in which we might seek their co-operation. On the whole, however, since the primary purpose of these conversations is to make, as it is hoped, early progress towards a better understanding, it is felt that it would be wiser to leave all these economic questions completely out of the agenda of the conversations and let them be raised in the natural course of events rather than seek to complicate the conversations by their introduction at the beginning, if at all.

PROPAGANDA

One of our chief complaints against the Italians is the propaganda which they have instituted overtly and covertly against British policy, British character and British institutions. It is unquestionably essential that this propaganda must cease, but there are two schools of thought on the subject of how to secure its cessation. There are some who consider that it should form an integral part of the conversations and that we should come to no agreement with the Italians unless we can obtain satisfactory assurances as to its cessation. There are others who maintain that, once the conversations begin, the propaganda will die down of itself and that there will be no necessity to put the subject on the agenda unless there should be a recrudescence of it during the conversations themselves, when the matter could be promptly taken up with the Italian Government.

We should desire that any final agreement should include firm assurances as to propaganda generally, but the best method of approach is a question of tactics on which a decision is required.

In arriving at that decision we should bear in mind that, whereas the Italians, owing to their governmental control of all organs of propaganda, can give and implement assurances on the subject, His Majesty's Government have no such powers and are not in a position to give any reciprocal assurance

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[11] See No. 440.

(e.g., they are unable to control what is said by the Opposition in Parliament or by any organ of the free press).

Lord Perth thinks that, when he informs Count Ciano of our readiness to start conversations at once, he might well say that he trusted that, in order to secure a favourable atmosphere for the conversations, anti-British propaganda would cease. He believes that Count Ciano will take steps at once in this direction both as regards the Bari broadcasting and the Italian press. He would prefer to deal with the subject of Italian agents in Palestine and the Middle East during the course of the conversations.

Part II. Near and Middle East Subjects

ARABIA

The main concern of His Majesty's Government, who have themselves no ambitions in regard to Arabian territory, is that no European Power, and particularly Italy, should establish itself on the Arabian shore of the Red Sea. Apart from this, His Majesty's Government have no special desiderata in regard to the purely local aspects of Anglo-Italian relations in regard to Arabia. British interests would be adequately safeguarded if His Majesty's Government could secure from the Italian Government some form of declaration on the following lines:

> 'That the two Governments agree in so far as they are concerned, to do nothing to disturb the territorial status quo in Arabia, and that neither of them will seek to obtain for itself a privileged position on the Arabian coast of the Red Sea.'

In the course of any discussions to which the negotiation of this formula may give rise, it should be possible to allay any Italian suspicions regarding our present intentions and activities in Arabia (see Annex 1).

There are also one or two minor questions, such as the disposal of Kamaran (where His Majesty's Government maintain a quarantine station) and certain other Red Sea islands, the sovereignty of which was left open by the Treaty of Lausanne.[12] But unless the Italian Government raise these questions it will almost certainly be better to let their settlement follow, rather than form part of, the re-establishment of Anglo-Italian cordiality.

PALESTINE

It may be possible, as it is certainly desirable, to obtain from the Italian Government an undertaking that they will refrain from any attempt to create difficulty for His Majesty's Government either in the framing of policy for or administration of Palestine, provided that His Majesty's Government on their side are willing to undertake to respect legitimate Italian interests in that country.

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[12] Of 1923: see Series I, Volume XVIII, No. 683.

SYRIA

Although the Italian attitude towards the alteration or abolition of the mandate in Syria is not primarily a concern of His Majesty's Government, any difficulty which might eventually arise between France and Italy over this question could not fail to have an unsteadying effect upon Anglo-Italian relations, even after a general settlement had been effected.

It is somewhat difficult to include any questions relating to Syria in Anglo-Italian conversations, but His Majesty's Ambassador has hopes of being able to do something towards securing French interests here. It is therefore suggested that it be left to Lord Perth's discretion how and when to discuss the matter, the most hopeful method of approach being to raise the problem as arising out of the Mediterranean declarations, and say that we assumed that any arrangement concluded by the League for the termination of the present Syrian mandate would not be objected to by the Italians as an alteration of the status quo.

In any event His Majesty's Government will bear in mind the necessity that any negotiations which we undertake should not result in prejudicing in any way French interests in this area, but rather that they should do their utmost to safeguard these interests.

Part III. Abyssinian Subjects

The question immediately arises whether it would be wiser to treat these in the conversations proper, i.e., before recognition of the Italian conquest of Abyssinia was accorded, or to wait till after the grant of such recognition and deal with them then. Many of them are highly technical subjects, because they concern boundary adjustments, and it may well be that negotiations about them would last for many months, thereby postponing the conclusion of the agreement for a considerable time. Count Ciano clearly was opposed to the inclusion of boundary questions in the conversations. He suggested that it would be sufficient to conclude an agreement of *bon-voisinage*, which would allow things to function smoothly until the final boundary arrangements had been settled between the experts. In Lord Perth's view, Signor Mussolini is likely to be more generous after recognition than he would be if we tried to use it as a bargaining counter in these Abyssinian matters.

The particular questions involved are:

(1) Lake Tsana (see Annex 2).
(2) The Sudan–Abyssinia frontier, including Gambeila (see Annex 3).
(3) The Kenya–Abyssinia frontier (see Annex 4).
(4) The frontier between British Somaliland and Abyssinia (see Annex 5).
(5) The frontier between British Somaliland and Italian Somaliland (see Annex 6).
(6) General British interests (trade, &c.) in Abyssinia (see Annex 7).
(7) Specific British interests in Abyssinia (see Annex 8).

(8) The surrender of extra-territorial jurisdiction in Abyssinia (see Annex 9).
(9) Extradition (see Annex 10).
(10) Missionary work in Abyssinia (see Annex 11).

Of these, some are boundary questions of considerable importance, and Lord Perth should indicate their importance while agreeing to make them the subject of technical investigation later. Of the others, some are only of technical and limited importance, and in regard to all these questions (2) to (9) inclusive, it is suggested that it would be inappropriate to complicate the general conversations by the inclusion of discussions on these matters.

It would, however, be desirable for political and other reasons that the Ambassador should secure in the conversations assurances on the following:

(A) Lake Tsana;
(B) The principle of fair treatment in matters of trade;
(C) The treatment of missionaries in Abyssinia; and
(D) The raising of native armies.

As regards (A), it will be hoped to secure from the Italian Government a reaffirmation of their previous undertakings fully to respect our existing rights.

As regards (B), we should desire to secure reasonable and fair opportunity for British trade, taking full advantage of any applicable treaty provisions that we may be able to claim.

As regards (C), we should endeavour to obtain an assurance of Italian intentions to apply to Abyssinia article 11 of the convention signed at Saint-Germain on the 10th September, 1919,[13] concerning the work of missionaries. In short, the effect of this would be that the Italian Government would agree to afford facilities for missionary work, without distinction of nationality or religion, subject, of course, to its responsibility for the maintenance of law and order.

As regards (D), on every ground it is desirable to prevent, if possible, the raising of such an army by the Italian authorities. It is suggested that Lord Perth should press the Italian Government strongly to reaffirm to His Majesty's Government the assurance which they gave in their note to the League of Nations on the 29th June, 1936, that Italy on her part was 'willing to accept the principle that natives should not be compelled to other military duties than local policing and territorial defence.'[14]

His Majesty's Ambassador should also have discretion to discuss with the Italian Government the financial situation and future of the Emperor Haile Selassie.

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[13] See *B.F.S.P.*, vol. 112, p. 317.

[14] See Volume XVI, No. 390.

Part IV

ANNEX 1

NOTE ON ARABIAN FORMULA

If a formula such as that suggested in the draft is to be adopted, it will be essential to avoid the possibility of disputes as to what the territorial status quo now is, and, further, to avoid giving scope for Italian interference in the internal management of territories which we consider now to be under our control and protection. It would appear to be necessary that the formula should be accompanied by a map on which lines were drawn, and that it should be laid down that the formula meant that His Majesty's Government would not extend their influence beyond these lines. The lines would run round the southern frontier of Transjordan, include Koweit, and the territories of all the Trucial sheikhdoms on the Persian Gulf, Muscat and Oman, and the whole of the Aden Protectorate, including the Hadramaut. The South-Eastern part of the line might follow, for the greater part of its course, the so-called blue and violet lines of the Anglo-Turkish Conventions of 1913 and 1914, if necessary as modified by recent negotiations with the Imam. Further, it would have to be agreed that, though His Majesty's Government would in no circumstances extend their influence beyond this line, they reserved the liberty, as the result of negotiations with Ibn Saud and the Imam, to surrender territory inside the line to these Rulers. Finally, it would also have to be agreed that, as regards territories inside our line, we reserved our liberty to increase or extend the intensity of our influence, to change the boundaries as between the respective Arab States under our protection, and to increase or decrease the degree of independence at present possessed by any of these Rulers.

As regards the latter half of the phrase, referring to privileged positions on the Arabian coast of the Red Sea, it would have to be made clear that the expression 'the Arabian coast of the Red Sea' does not include on the south any part of the coastline of the Aden Protectorate (which is, in fact, to the south of the opening of the Red Sea and on the Gulf of Aden only), and does not include on the north the small portion of the coastline of the Gulf of Akaba, which is at present covered by the Palestine Mandate.

ANNEX 2

LAKE TSANA

Under an Anglo-Ethiopian Treaty of 1902, an Anglo-Italian Treaty of 1906 and an Anglo-Italian exchange of notes in 1925, Great Britain obtained certain rights in respect of the Blue and White Niles. The effect of those rights is that Italy must not allow any works to be constructed on the Blue or White Niles or their tributaries or affluents which might sensibly modify their flow into the main river, but, subject to that proviso, a reasonable use of the waters in question by the inhabitants of the region may be permitted. His Majesty's Government also have the right to obtain the construction of a barrage at Lake Tsana and a motor road for the passage of stores, &c., from the barrage to the Sudan frontier, subject only (1) to an obligation to employ, so far as possible, locally recruited labour in the construction and operation of the barrage, and (2) to the proviso that the barrage must not raise the level of the waters in the Lake beyond the maximum hitherto attained during the rainy season. His Majesty's Government are entitled to obtain a concession for the construction of this barrage and its operation by themselves or by persons appointed by them. (The question of the importance and urgency of a barrage scheme, from the point of view of Egypt and the Sudan, is at present under review). It is a clearer definition of the above rights which His Majesty's Government now desire to secure from the Italian Government.[15]

Finally, His Majesty's Government can make a case for the delimitation for a territorial zone pertaining to Great Britain in the region of Lake Tsana; but such a case is not unanswerable, and it seems in the highest degree unlikely that the Italian Government would consider such an arrangement unless really adequate compensation were offered in return.

It is considered essential that the Egyptian Government should participate from the very beginning in any discussions which may take place with the Italian Government on the subject of Lake Tsana.

ANNEX 3

THE SUDAN–ABYSSINIA FRONTIER (INCLUDING GAMBEILA)

It is proposed that the Italian Government should be approached with a view to an exchange of territory being effected as between the Sudan and Abyssinia on the south-west section of the frontier (which has never been the subject of an agreed demarcation) terminating at Lake Rudolph. Under this exchange the Sudan would acquire the Baro Salient in Abyssinia (in which British-protected tribes habitually graze and water) and Italy a triangular strip of Sudan territory to the south of that salient. The position of Gambeila (a neighbouring post in Abyssinia which under the Anglo-Ethiopian Treaty of 1902 was leased to the Government of the Sudan, to be administered and occupied as a commercial station so long as the Sudan was under the Anglo-Egyptian Government) would also have to be regularised. As in the case of Lake Tsana, the Egyptian Government would have to be brought into discussions at an early stage of the proceedings.

In the event of the above modification taking place the Government of Kenya would wish to acquire a small portion of Sudan territory adjoining their frontier, which would otherwise be ceded to Italy. In this area, under an agreement with the Sudan, the Kenya tribes are already permitted to graze.

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[15] Cf. Volume XVI, No. 493, note 3.

ANNEX 4

THE KENYA–ABYSSINIA FRONTIER

A modification of this frontier is required so as to include in Kenya certain areas in Abyssinia in which the Kenya border tribes habitually graze and water their stock during the dry seasons. Failing such a modification, a continuance of trans-frontier grazing and watering arrangements for those tribes would be essential; but for reasons of administration a rectification of frontiers would be far preferable. Grazing and watering rights in the areas in question were secured to the Kenya tribes under an Anglo-Abyssinian Treaty of 1907, by which the Italian Government are bound in law; but in order to secure the necessary facilities for the time being we recently agreed to hold conversations with the Italian Government on this and certain Italian requirements of a similar nature. It is probable that in the event of a frontier rectification in favour of Kenya, the Italian Government will request corresponding modifications in favour of Abyssinia; and the Government of Kenya have earmarked certain areas in Kenya which they are prepared to cede for this purpose.

The area which we wish to obtain is small relatively to its importance to the Kenya tribes.

ANNEX 5

THE FRONTIER BETWEEN BRITISH SOMALILAND AND ABYSSINIA

A rectification of the southern frontier of British Somaliland is required involving the addition to the Protectorate of the traditional grazing areas of British-protected tribes up to the limits agreed upon by the Anglo-Abyssinian Boundary Commission of 1935, including the important wells of Walwal and Wardeir. It is improbable, however, that the Italian Government would agree to the transfer of those two places; and for practical purposes it would suffice if the revised boundary coincided with the limits of the grazing of British tribes as recognised in the Anglo-Italian Agreement signed in Rome on the 27th January, 1937.[16] That Agreement, which holds good for a period of two years from the 1st March, 1937, and is renewable, established a modus vivendi whereby British tribes are free, subject to certain conditions, to cross the frontier to the grazing grounds and wells in former Abyssinian territory—a right which is legally secured to them under the Anglo-Abyssinian Treaty of 1897.

About three-fifths of the inhabitants of British Somaliland have for years past been accustomed to cross and recross the frontier in search of grazing and water, and to exclude them from their grazing grounds would be bitterly resented, would involve severe hardship and might lead to a serious threat to the internal security of the Protectorate. To secure for the British tribes access to their grazing areas south of the frontier is thus a vital interest of British Somaliland. If the Italians refuse to agree to a frontier rectification, then it will be essential to aim at a permanent arrangement for trans-frontier grazing on the lines of the Rome Agreement. This Agreement is reported to have been working satisfactorily hitherto in a season when there has been ample grazing, but in a poor season the Italians might impose unreasonable restrictions on the British tribes and they are not likely to agree to making the arrangement permanent, seeing that it involves the annual migration of large numbers of British tribesmen into territory under their own control. Nor would the arrangement be satisfactory as a permanent state of affairs to the British Administration, for it would do nothing to relieve the great difficulties at present experienced in administering tribes many of whom spend a large part of the year out of British control. The only satisfactory permanent solution would be the rectification of the frontier already described.

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[16] See Volume XVIII, No. 338, note 3.

ANNEX 6

THE FRONTIER BETWEEN BRITISH SOMALILAND AND ITALIAN SOMALILAND

No boundary rectifications are asked for in this case, and it is considered that the frontier agreed upon by the Anglo-Italian Boundary Commission of 1931 should be confirmed. It is desired at the same time to obtain the agreement of the Italian Government that the frontier should no longer be closed (as it is at present owing to their attitude), but that British and Italian tribesmen should be free to graze their stock on either side of it up to the limits of their traditional areas as defined by the Boundary Commission. The grazing interests of British tribes are, however, much smaller here than in the south; and if, as is probable, the Italians are unwilling to change their attitude, it is not considered that the British point should be pressed to the extent of endangering the far more important requirements on the southern frontier.

ANNEX 7

GENERAL BRITISH INTERESTS (TRADE, &C.) IN ABYSSINIA

Although British and Indian trade interests in Abyssinia are negligible, and although there are no large-scale British enterprises established in Abyssinia, every endeavour, it is submitted, should be made to secure that British subjects have, as they had in the former Abyssinian Empire, equal opportunities for trading in Abyssinian territory, i.e., efforts should be made to restore the 'open door' in Abyssinia. Steps should also be taken, if practicable, to safeguard the direct and transit trade between Abyssinia, British Somaliland and the Sudan—a trade of some importance in the economy of the two latter territories.

This object appears the more easy of attainment in that, with the recognition by His Majesty's Government of the Italian position in Abyssinia, the latter country would be included among the 'dominions and possessions' of Italy to which the Anglo-Italian Commercial Treaty of 1883 applies. Thereby would be secured, *inter alia*, the right of British subjects to come with their ships and cargoes to Abyssinia and to enjoy there national rights in the matter of commerce and navigation; most-favoured-nation treatment for United Kingdom goods in the matter of import and export duties and prohibitions; and national rights for British shipping. Moreover, the Italian Government, in a note to the League of Nations of the 29th June, 1936, stated that measures would be taken to guarantee freedom of transit and communications and a fair treatment for the trade of all countries.[14]

Care, however, should be taken to avoid a situation arising similar to that in Manchuria, whereby requests for equality of treatment are met with invitations to invest money in the area concerned, while no effective equality is accorded in matters relating to the sale of goods.

Outstanding trade debts from Abyssinia to the United Kingdom are believed to be very small, but provision should be made for their liquidation within a reasonable period. An arrangement may be necessary in respect of payments for current trade and import and export permits.

British subjects and British-protected persons belonging to India should be secured the same rights and privileges which may be granted to other British subjects and protected persons. The Government of India are particularly interested in this point in view of the comparatively large number of Indians in Abyssinia. It should be noted that under an Anglo-Italian Convention of 1914, the Anglo-Italian Commercial Treaty of 1883 was extended to British India.

ANNEX 8

SPECIFIC BRITISH INTERESTS IN ABYSSINIA

Full implementation of the agreement regarding the buying out of the Indian firm of Mohammedally (in regard to which there have recently been delays on the Italian side) should be insisted upon. A satisfactory solution of the matter of the expropriation of the Sudan Interior Mission should also be pressed. Finally, the Italian Government should be reminded of the importance we attach to a speedy settlement of the case of the Ethiopian Motor Transport Company, whose road from Gambeila to Baro Cala the Italian authorities last year declared to be open free of toll.

Other minor matters with regard to which it would also be desirable to achieve a settlement are the blocking of British official and non-official deposits at the Bank of Ethiopia owing to the liquidation of that bank, and the status of certain British consular properties in Abyssinia.

ANNEX 9

SURRENDER OF EXTRA-TERRITORIAL JURISDICTION IN ABYSSINIA

In the former Abyssinian Empire British consular jurisdiction was exercised by His Majesty's Consular Courts in Abyssinia under the Ethiopia Order in Council, 1934, in respect of civil and criminal matters affecting British subjects and protected persons in Abyssinia. The Italian authorities were informed some time ago that His Majesty's Government would present proposals for the winding up of His Majesty's Consular Courts, and draft heads of agreement for this purpose have been worked out. These heads of agreement, *inter alia*, provide for safeguards against British subjects and protected persons in Abyssinia being enlisted in the Italian forces, deprived of communication with their consuls, and so forth. It is desirable that a satisfactory solution of this subject should be included in any general settlement.

It is known that the French Government are interested in this matter, their position being very similar to ours; and we are under a moral obligation to consult them with regard to any step we may be proposing to take.

ANNEX 10

EXTRADITION

With the recognition of the Italian position in Abyssinia the Anglo-Italian Extradition Treaty of 1873 would automatically apply to that country. The Colonial Office, however, desire to arrive at some arrangement with the Italian authorities, apart from the provisions of the treaty, under which British-protected tribesmen who commit, or have committed, offences outside the boundaries of British Somaliland may be brought to justice.

ANNEX 11

MISSIONARY WORK IN ABYSSINIA

Article 11 of the Convention signed at Saint-Germain on the 10th September, 1919, revising the General Act of Berlin of the 26th February, 1885, and the General Act and Declaration of Brussels of the 2nd July, 1890, was invoked in Parliament on the occasion of the expulsion by the Italian Government, in the spring of 1937, of British missionaries from Abyssinia. But it was doubtful whether the article could be used in this particular case, owing to the fact that His Majesty's Government did not recognise the Italian position in Abyssinia. With such recognition, however, Italy's obligations under this article would become applicable to Abyssinia, and it might be considered desirable to remind Italy of this fact.

No. 621

Sir E. Phipps (Paris) to Viscount Halifax (Received March 6, 10 a.m.)

No. 67 Telegraphic [*R 2117/23/22*]

PARIS, *March 5, 1938, 10.2 p.m.*

Minister for Foreign Affairs tells me that he has received from London an account of Sir O. Sergeant's [*sic*] conversation yesterday with Monsieur Cambon.[1] His Excellency begged me to inform you of the following requests of the French Government regarding the approaching conversations at Rome: (1) France would wish that, in the matter of the hinterland of Tunis, Corsica, Balearic Islands, etc., in which she is even more interested than Great Britain she should eventually be associated in the conversations which would on those points be *à trois*. (2) Although Spain should be discussed primarily by the Non-Intervention Commitee, final issue of the conversations at Rome should be subordinated to the Italian attitude on the London Committee. (3) France (and perhaps certain other Powers also) should be associated in any declaration regarding the status quo of the Mediterranean. (4) Eventual withdrawal of Italians from Balearic Islands should form the essential condition of any agreement and should not merely be put forward as a personal suggestion of Lord Perth. (5) Lord Perth should not hesitate to raise the question of Central Europe, and particularly of Austria, where Italy's interests coincide with ours. (6) Italian propaganda against France should stop also, and in this connexion Syria and Palestine should be treated as a whole. (7) In discussing the Suez Canal French interests in the Red Sea should be safeguarded. (8) In discussing Abyssinia French interests there should be taken into account and France should eventually participate in the conversations.

Repeated to Rome No. 3.

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[1] There had been much discussion in the Foreign Office (see minutes on R 2110) as to what information should be given to the French Government concerning the forthcoming Anglo-Italian conversations. Lord Halifax agreed on March 4 that the French Embassy should be given the gist of Lord Perth's instructions (No. 620), namely the text of the chapters marked 'General' and 'Recognition of the Italian Conquest of Abyssinia', less the last paragraph. The remainder of the instructions, less certain passages, could be read to the French representative who could take such notes as he wished. Sir O. Sargent noted, also on March 4: 'I went through the instructions with Mr. Cambon this afternoon on the lines suggested.' See *D.D.F.*, *op. cit.*, No. 320, for M. Cambon's account of the conversation.

No. 622

The Earl of Perth (Rome) to Viscount Halifax (Received March 7, 4.25 p.m.)

No. 108 Telegraphic: by telephone [*R 2188/23/22*]

ROME, *March 7, 1938*

Paris telegram No. 67 to you.[1]

I am greatly disturbed by some of the French requests and above all by the suggestion that at some time conversations should be *à trois*. If we adopt this line I fear we are certain to meet with a blank refusal. Italian Government have shown their attitude towards any such proposal on previous occasions. To insist on it would wreck all chance of a successful issue of our conversations and even to put it forward would be harmful. There is in my view likely to be a considerable interval between the moment when a satisfactory settlement of the various points on the agenda has been reached and that when agreement will become effective through recognition of sovereignty. Why should not French utilise this period themselves to conduct bilateral conversations with Italians?

Dealing with French points exclusive.

1. Tunis hinterland, Corsica and the Balearic Islands are all covered by reaffirmation of Mediterranean agreements of (? May 8)[2] 1937.

2. I shall of course emphasize importance of satisfactory and speedy progress in Spanish affairs before agreement can be concluded but what precisely His Majesty's Government decides to regard as a satisfactory 'settlement of Spanish question' presumably depends on Cabinet decision on Sir G. Mounsey's memorandum[3] of which Mr. Ingram has a copy and regarding which I should be grateful for early information.

3. We are providing for this in proposed formula to enable other Mediterranean Powers to accede to paragraphs Nos. 4 and 5 of Mediterranean agreement.

4. Complete eventual withdrawal from Balearic Islands is surely covered by reaffirmation of Mediterranean agreements of 1937 and by previous Italian declarations. The personal suggestion I was to make was simply to try and secure something immediate in order to strike public opinion.

5. I earnestly trust that as regards Central Europe my instructions will remain unchanged. As you know Signor Mussolini is highly sensitive on the

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[1] No. 621.

[2] This should read 'January 2 1937': see Volume XVII, No. 530.

[3] A note of March 1 by Sir G. Mounsey stated that at Lord Halifax's request he had drawn up a memorandum on the connection of the Spanish problem with the forthcoming Anglo-Italian negotiations. Lord Plymouth had been consulted and approved its terms. The first draft of this paper is filed at W 2974/83/41: a revised copy at W 3111/83/41. The memorandum was then apparently revised still further and in its final form was given the number F.P.(36)55 and submitted to the Cabinet Committee on Foreign Policy under Lord Halifax's name: see No. 628 below. This final version of the paper has not been kept in F.O. archives: the copy printed below has been supplied from the Cabinet Office archives.

subject and though joint interests coincide with French and our own it would in my view be a grave error of tactics for me to raise the subject.

6. I am already proposing to link up Palestine and Syria in some way but again this seems to me a matter which French should finally negotiate themselves as also problem of purely anti-French propaganda though I would naturally do my best personally to urge on Count Ciano desirability of a *détente* in this respect.

7. If the Italian Government raise the question of the Suez Canal I will ask for instructions. If our Arabian formula proves acceptable to Italians would not this adequately safeguard French interests whatever they may be, in the Red Sea?

8. French interests save in so far as they will be initially secured by general assurances which we hope to obtain regarding missionaries and raising of native armies in Abyssinia ought in my view to be treated by separate Italian and French negotiations. This is especially true where Jibuti railway and trade are concerned.

Repeated to Paris.

No. 623

Viscount Halifax to Sir M. Lampson (Cairo)

No. 119 Telegraphic [*R 1951/23/22*]

Immediate Very Confidential FOREIGN OFFICE, *March 7, 1938, 6.40 p.m.*

My telegram No. 96.[1]

You should inform Egyptian Prime Minister that it is intended that discussions shall begin early this week between His Majesty's Ambassador at Rome and Italian Foreign Minister on following subjects: Spain; Libyan garrison; exchange of military (in the widest sense of the term) information; recognition of Italian conquest of Abyssinia; accession of Italy to London Naval Treaty of 1936; propaganda; situation in Arabia, Palestine, Syria; and a number of questions connected with Italian annexation of Abyssinia.

With regard to Libya you should inform the Egyptian Prime Minister that an effort will be made to secure a reduction in the land garrison.

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[1] This telegram of February 28 (J 960/898/16) referred to the proposed Anglo-Italian conversations and asked Sir M. Lampson to inform the Egyptian Prime Minister, Mohammed Mahoud Pasha, of His Majesty's Government's promise to consult the Egyptian Government on all matters affecting joint Anglo-Egyptian interests or the interests of Egypt as a Mediterranean power. Sir M. Lampson's telegram No. 115 of March 1 in reply stated that the Prime Minister was greatly pleased with the message and anxious that 'the most welcome assurances should be made public with all urgency as it would have an excellent effect here'. On Sir A. Cadogan's suggestion it was agreed that any such pronouncement by the Egyptian Government should be limited to a statement that assurances had been given that the British Government would not agree to anything affecting Egyptian interests without consultation with the Egyptian Government. Instructions to this effect were sent to Sir M. Lampson in Foreign Office telegram No. 108 of March 3.

As regards questions connected with Italian annexation of Abyssinia you should explain to His Excellency that it is intended to conclude a *bon voisinage* agreement or declaration to cover period until the various boundary and other questions can be negotiated and to secure in the general conversations a reaffirmation of the previous undertakings given by the Italian Government with regard to Lake Tsana, and a reaffirmation of the assurance given by Italy to the League of Nations on June 29th 1936 with regard to the raising of native armies in Abyssinia.[2]

I am advised that it is desirable to postpone detailed discussion of questions affecting the Sudan frontier, Sudan trade interests in Abyssinia, and Lake Tsana until after the conclusion of the general conversations. But His Majesty's Government would wish these questions to be taken up immediately after the main agreement had been reached. You should, however, assure the Egyptian Prime Minister that the necessity for associating Egypt in the discussions regarding Lake Tsana, the Sudan-Abyssinia frontier and Sudan interests in Abyssinia from the very beginning is fully realised.

You should add that His Majesty's Government have not yet heard whether the Italian Government will wish to introduce any other subjects into the agenda.

You should request the Egyptian Prime Minister to treat the above information as strictly confidential.

Repeated to Rome Embassy No. 52.

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[2] See Volume XVI, No. 390.

No. 624

Viscount Halifax to the Earl of Perth (Rome)

No. 54 Telegraphic [*R 2132/23/22*]

FOREIGN OFFICE, *March 7, 1938, 9 p.m.*

Your telegram No. 105.[1]

You may inform Count Ciano in confidence that I am making appeal to British press tomorrow to avoid all forms of provocation and pin-pricking and to exercise a proper sense of responsibility in any references they may make to Italy. You should make it clear that His Majesty's Government cannot exercise control over the British press, but are doing what they can to give proof of their goodwill and to improve relations. If useful results are to be obtained from this appeal it is essential that it should be regarded as highly confidential.

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[1] Not printed.

No. 625

The Earl of Perth (Rome) to Viscount Halifax (Received March 11)

No. 50 Saving: Telegraphic [*R 2349/23/22*]

ROME, *March 9, 1938*

The attitude of the press remains entirely satisfactory. There are no editorial comments and the London messages say that it is only just to say that the London papers, which applaud the reserve shown by the Italian press, themselves maintain an entirely correct attitude. The *Times* and *Daily Telegraph* are quoted with obvious satisfaction. The *Tribuna* correspondent says, with regard to Spain, that His Majesty's Government is not renouncing anything of the condition laid down by the Prime Minister, but, to judge from 'authoritative comments' in London, is indicating very properly that if other people hold up the work of the Non-Intervention Committee, the arrival at an agreement in Rome need not thereby be unduly retarded.

No. 626

Viscount Halifax to Sir E. Phipps (Paris)

No. 55 Telegraphic: by telephone [*R 2188/23/22*]

Important FOREIGN OFFICE, *March 10, 1938, 5.25 p.m.*

Your telegram No. 67,[1] Rome telegram No. 108,[2] and my despatch No. 444.[3]

Please speak to the Minister for Foreign Affairs, in whatever manner you consider most suitable, in the sense of the following paragraphs.

There can be no question of conversations *à trois*. The reasons for our decision on this point are those given by Lord Perth. If however French Ministers feel that it would be wiser for them to have direct contact with the Italian Government, then I hope that they will consider possibility of themselves conducting bilateral conversations with Rome at an appropriate moment. Meanwhile French Government should be assured that we will keep them fully informed and notify them whenever proposals are made affecting French interests and will be ready to give consideration to any particular points they may wish to raise.

(1) Lord Perth has no instructions to discuss Corsica, or the hinterland of Tunis. As regards Balearic Islands, see paragraph 4 below.

(2) Question of what constitutes a 'satisfactory settlement of the Spanish question' cannot yet be decided but attitude of French Government as

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[1] No. 621.

[2] No. 622.

[3] Not printed. This despatch to Paris of March 7 gave an account of Sir O. Sargent's communication to M. Cambon of particulars of Lord Perth's instructions: see No. 621, note 1.

explained in numbered paragraph 2 of your telegram under reply will be borne in mind.

(3) We note and hope to give effect to France's desire to be associated in any declaration regarding the status quo in the Mediterranean. Question of how to associate other Mediterranean Powers is now under examination.

(4) Balearic Islands. Complete eventual withdrawal from the Balearic Islands is certainly the aim of His Majesty's Government. The object of Lord Perth making a personal suggestion is to secure something at an early stage in order to strike public opinion.

(5) Austria. See paragraph 3 of my despatch under reference. You should refer to the last paragraph of the memorandum of February 26th in my despatch No. 386[4] adding that if we have instructed Lord Perth not to take the initiative it is because we are convinced that this is best method from a tactical point of view.

(6) Anti-French propaganda. Please speak in the sense of paragraph 6 of Lord Perth's telegram under reference.

(7) French interest in the Red Sea. You can give the French an assurance that if the Italians raise any issue in connexion with the Suez Canal we will consult them. You may also speak in the sense suggested by Lord Perth in the last sentence of paragraph 7 of his telegram under reference.

(8) I agree with views expressed by Lord Perth in paragraph 8 of his telegram and you should inform the French Government in this sense.[5]

Repeated to Rome No. 63.

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[4] Not printed: see No. 592.

[5] Sir E. Phipps reported in his telegram No. 150 Saving of March 12 that he had made an oral communication in accordance with this telegram to M. Delbos who 'took a few notes and thanked me for this communication'.

No. 627

The Earl of Perth (Rome) to Viscount Halifax (Received March 14)

No. 249 [*R 2541/23/22*]

ROME, *March 10, 1938*

My Lord,

In your despatch No. 297[1] of March 4th Your Lordship transmitted to me the decisions of His Majesty's Government as to the scope of the proposed conversations with the Italian Government and as to the manner in which they should be conducted.

2. Immediately upon my return to Rome on the evening of March 6th I asked for an interview with the Italian Minister for Foreign Affairs; but owing to the official visit of Colonel Beck His Excellency was unable to receive me

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[1] No. 620.

before the evening of March 8th, when for upwards of an hour I was able to discuss with him my instructions.[2]

3. I told Count Ciano that I was glad to be able to inform him that I was authorised to initiate conversations with him on all questions outstanding between our two Governments, but before I began to enlarge on these questions there were some preliminary matters on which I desired to speak.

4. I then handed His Excellency the personal letter which Your Lordship had charged me to deliver to him (see Annex 1). Count Ciano expressed great pleasure at receiving it and said that he would answer it immediately.[3] I told him that I felt bound to mention in this connexion that I had found Your Lordship disappointed about the manner in which the Italian Government had received your communication concerning your interviews with the Negus and Dr. Martin.[4] You had, I said, deliberately gone out of your way, as an act of courtesy, to inform the Italian Government beforehand what was about to happen. It was not possible for you to refuse to see Ras Tafari; indeed, your predecessor had already done so on various occasions. Nor was it practicable not to receive Dr. Martin with the other Ministers accredited to the Court of St. James. I then drew His Excellency's attention to the phrase in your communication 'for the present' and I suggested to him that if, as I hoped, we were able to reach a satisfactory conclusion to our conversations, a recurrence of such difficulties was not to be expected. Count Ciano replied that he quite understood about the reception of Dr. Martin, since there was still an Abyssinian Legation in London, but the Italian Government which had to consider its own public opinion—and some Italians were very suspicious of Anglo-Italian negotiations—had been somewhat alarmed by the interview with the Negus, which they considered as both unnecessary and harmful, particularly at the moment when conversations were about to begin. I explained the reasons which made it necessary for Your Lordship to grant an interview to the Negus, and I think that His Excellency appreciated them. He expressed the hope, however, that further interviews might if possible be avoided.

5. Next I mentioned to His Excellency the question of propaganda which, I begged him to realise, loomed very large in people's minds in England in connexion with our conversations, and I expressed the hope that he would agree that it was essential, if we were to arrive at satisfactory results, that at any rate during the period of the conversations propaganda through the Bari broadcasts and in the Italian press should cease. Count Ciano observed that I would no doubt have seen that this propaganda had already practically stopped. He remarked that such propaganda was the consequence and not the cause of Anglo-Italian difficulties, and that if agreement were reached

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[2] For Count Ciano's account of this conversation see *Ciano's Diplomatic Papers*, pp. 187–93.

[3] Count Ciano replied in reciprocal terms in a personal letter of March 12 to Lord Halifax's message (R 3307/23/22).

[4] Lord Halifax had an interview with H.M. the Negus, Emperor Haile Selassie of Ethiopia, on March 2: a record of the conversation is filed at R 2039/7/22. Dr. Martin was Ethiopian Minister at London.

between us broadcasting etc. might even be used in a sense favourable to us. I then told His Excellency in confidence of the appeal which Your Lordship was, as I understood from your telegram No. 56,[5] making that same afternoon to the press to avoid all forms of provocation and to exercise a proper sense of perspective in any references which they might make to Italy. I emphasised that His Majesty's Government could not exercise control over the British press, and I repeated a point I had made previously and which had at the time appealed to Count Ciano that attacks on Italy by the Press and members of the Opposition should be regarded primarily as attacks against the policy of His Majesty's Government in seeking to restore friendly relations between our two countries. I begged him nevertheless to realise that His Majesty's Government were doing what lay within their very limited powers in order to give proof of their good will and to improve Anglo-Italian relations. I made it clear to His Excellency that what I was telling him was said in the strictest confidence, since if useful results were to be obtained from your appeal the fact that it had been made must not leak out. Count Ciano expressed his appreciation of your intended action and his understanding of the situation about the Press and members of the Opposition. I then added that of course if, during our conversations, there could be a *détente* in anti-French propaganda this would help considerably towards an amelioration of the general situation. Count Ciano maintained that there were no serious points at issue between France and Italy. It was mainly a question of ideology. Italian attacks on the French Government were not made because it was the Government of France, but because it was a Government which included Communists among its supporters. His Excellency, however, promised to consult Signor Mussolini regarding my suggestion.

6. Returning to the general situation I told Count Ciano that I felt sure he would have realised that there had been and still was considerable opposition in England towards Anglo-Italian conversations, but the Prime Minister was determined to initiate them and to bring them if possible to a successful conclusion. If, however, the Prime Minister was to secure general public and Parliamentary approval to any agreement which might ensue, it was essential that he should be able to present it as a big step towards world appeasement. I laid great stress on this point. I continued by saying that although we must ask that Spain should formally be on the Agenda, His Majesty's Government had accepted His Excellency's suggestion that all matters relating to non-intervention should continue to be dealt with in the Non-Intervention Committee in London, but I insisted with such emphasis as I could command that, as indeed the Prime Minister had already intimated to Count Grandi, early and rapid progress in the Spanish question was of vital importance to the final success of our negotiations. I suggested that anything that the Italian Government could do at once in order to convince British public opinion that they were sincere in their desire for a solution of the Spanish problem would be helpful as evidence of Italian good will. Count Ciano asked me whether I had anything in mind, and I put forward the purely personal suggestion that

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[5] Not printed: cf. No. 624.

a withdrawal from the Balearic Islands and a cessation of their use as a base could not fail to have a highly beneficial effect. His Excellency replied that there were no Italian land forces in the Balearic Islands. There were, however, a certain number of Italian aeroplanes, some with Spanish and some with Italian pilots. It would be difficult, he felt, to comply with my suggestion more particularly since the question of aeroplanes had not yet been raised at the Non-Intervention Committee. He promised, nevertheless, to look into the matter further and I urged that something should be done as a token of Italian good will.

7. I terminated my preliminary remarks by saying that while we realised that on the Italian side and from the point of view of Italian public opinion recognition of the Italian sovereignty over Abyssinia was essential, he must realise that it was necessary for His Majesty's Government to present any agreement that might result from our conversations as a measure of general appeasement, and that in order to do so progress about Spain was essential. I begged therefore that during our forthcoming talks he should bear this in mind, just as I would bear in mind the necessity from his point of view of the recognition of Italian sovereignty. On the theme that an Anglo-Italian agreement would mark a stage towards general appeasement His Excellency was most emphatic. He said that in his deliberate opinion an Anglo-Italian agreement would be the greatest step towards peace in Europe which could be taken at the present moment. Indeed, the whole world would breathe more freely if our two countries could come to a settlement by which their ancient friendship could be restored. I must put it on record that I have never known him speak with greater earnestness.

8. After this introductory discussion, I handed His Excellency the accompanying list of subjects for the Agenda of our conversations (see Annex 2) and suggested that we should go through them together *seriatim*. After examining the list Count Ciano said that he did not think that the Italian Government would desire to add any items to it, though he felt bound at this stage to reserve his right to do so. We then passed to the specific questions on the agenda.

9. (A) *Spain.*

I told Count Ciano that His Majesty's Government entirely agreed with his suggestion that the first point to be dealt with should be a re-affirmation of the Mediterranean Agreements of January 2nd, 1937.[6] When His Excellency said that he presumed what I had in mind was the so-called Gentleman's Agreement, I replied that I thought the re-affirmation ought to cover both this and the accompanying exchange of notes regarding Spanish territory and Spanish colonies. Count Ciano answered that he saw no difficulty as to the re-affirmation of the first declaration, but that he would like to examine the exact terms of the exchange of notes before giving me the final answer regarding them. He did not, however, anticipate any difficulty. I then drew His Excellency's attention to paragraphs 4 and 5 of the declaration dealing with the maintenance of the status quo. His Majesty's Government, I said, had thought that it would be well to make clear to all other Mediterranean Powers that our two Governments would welcome a declaration from them in the sense of these two paragraphs. Briefly, the effect would be that the status quo portion of the declaration should be open to accession by other Mediterranean powers. This, I pointed out, would help towards general appeasement in the Mediterranean, and I hoped shortly to be able to put forward for his consideration a formula embodying our idea. Count Ciano replied that he was somewhat dubious about this suggestion. It savoured of a multilateral pact which, as I probably knew, was contrary to Signor Mussolini's general conceptions. I urged that what we had in mind were unilateral declarations by other Mediterranean Powers rather than a multilateral instrument, and I reminded him that in connexion with the Rome Protocols statements had been made in the Italian press indicating that the Protocols were open to the adherence of certain other Powers. Count Ciano maintained, however, his attitude of reserve, and asked what Mediterranean Powers we had in mind. When I replied all Mediterranean Powers, for example, Greece, Yugoslavia, etc., His Excellency remarked that Italy had already pacts of friendship with these two countries. I then instanced France, whereat Count Ciano observed that nobody threatened French possessions in the Mediterranean, and added that there was a further problem. What about Spain? I replied that I had no instructions on the point, which I agreed was one of some difficulty, but I thought that in present circumstances both sides in Spain should be excluded. On this His Excellency said that a Mediterranean pact without Spain seemed odd. I then enquired whether the inclusion of both sides would meet his view; but he clearly did not relish this idea. He promised, however, to refer the whole question to the Head of the Government and asked whether we attached great importance to the point. I replied that His Majesty's Government considered that the realisation of this proposal would constitute a real contribution towards Mediterranean appeasement.

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[6] See Volume XVII, No. 530.

10. (B) *The Libyan Garrison.*

I reminded the Italian Foreign Minister that I had mentioned the question of the Italian forces in Libya to him on several previous occasions. I emphasised the great interest which was taken in this matter in England, particularly in the House of Commons, and expressed the hope that he would be able to give me some assurance that the Italian Government would reduce their present forces in Libya. I told His Excellency that this was a subject to which we attached great importance and that such an assurance would be of considerable help in securing public approval of any agreement we might reach: Italian acquiescence in this matter would certainly be regarded not only as a conciliatory gesture on the part of Italy but also as a step towards general Mediterranean appeasement. Count Ciano observed that the strength of the Italian forces in Libya was a consequence and not a cause of Anglo-Italian divergence. He cited as an analogy our despatch of units of the Home Fleet to Mediterranean waters during the initial period of tension between our two countries. If we reached a settlement there would be no need for Italy to keep any large number of men in Libya. I pressed His Excellency strongly on the subject, and he promised to consult Signor Mussolini.

11. (C) *Exchange of Military Information.*

I reminded Count Ciano that the Italian Ambassador in London had proposed to the late Secretary of State that this question should figure on the agenda. His Majesty's Government, I said, were prepared to accept in principle the Italian proposal with regard to periodic exchanges of information, both in respect of the Mediterranean and the Red Sea areas; I added that I hoped later to be able to submit to him a general formula on the subject. Meanwhile, I continued, I wished to give His Excellency as a sign of our good will and confidence, and in order to dispel any possible suspicions, certain information regarding prospective movements of our air and land forces. These movements were in no wise connected with our present conversations. They had been decided on some time ago and indeed, so far as the increase of the air forces in Egypt was concerned, the decision had been taken in 1936. His Excellency expressed his appreciation when I handed him the attached summary of the above mentioned movements (see Annex 3).

12. (D) *Naval Treaty.*

I recalled to Count Ciano that I had had previous occasion to speak to him on this subject, and that he had often told me that the matter was receiving consideration, and had generally led me to believe that when the appropriate moment arrived Italy would accede to the London Naval Treaty of 1936. His Majesty's Government felt, I said, that Italian adherence to this Treaty would be widely welcomed by world opinion and would contribute in no small degree towards the general appeasement at which we aimed; it would certainly be welcomed in America. I trusted, therefore, that he would agree that the appropriate moment for Italian accession had arrived. I gathered the impression that provided other matters were satisfactorily settled between us, this subject would not present much difficulty.

13. (E) *Palestine and Syria.*

As regards Palestine, I handed His Excellency the attached formula (see Annex 4) indicating that in return for our undertaking to respect legitimate Italian interests in Palestine we sought from the Italian Government an undertaking that they would refrain from any attempt to create difficulties for us either in the framing of policy for or administration of Palestine. The questions as to what exactly Italian interests were and in what form the undertaking should be cast, could, I suggested, be best discussed between experts, and I intimated to Count Ciano that Mr. Rendel would be arriving in Rome early next week and would be prepared to discuss the matter then. His Excellency would observe, I said, that this formula implied not only the cessation of propaganda conducted from Bari and Italy, but also the cessation of activities of any agents who might have been utilised by the Italian Government to foster continued resistance to the maintenance of law and order in the mandated territory. The formula also implied, of course, that if and when the present mandate in Palestine were terminated or changed the Italian Government would not raise any objection on the score that the status quo in the Mediterranean was being altered. I added that His Excellency might be surprised that we should ask that the question of Syria should be included on the agenda, as clearly it was a matter which primarily concerned the French Government. In view, however, of the Mediterranean Agreement, His Majesty's Government desired to obtain from the Italian Government an assurance that they would not object to any final change in the present Syrian mandate whenever such change were approved by the League of Nations, on the ground that it might constitute an alteration of the status quo in the Mediterranean. Further, since much of the agitation in Palestine was centred in and conducted from Syria, the observations which I had made regarding the cessation of the activities of agents in Palestine applied equally to Syria.

14. (F) *Arabia.*

I handed Count Ciano a copy of the formula (see Annex 5) contained in my instructions. I explained that it was in the nature of a declaration that both parties would refrain from disturbing the status quo. If, as I hoped, the Italian Government were able to agree to this declaration, various questions would necessarily arise as to what constituted the status quo. These were clearly matters on which the views of experts were necessary. Count Ciano said that at first sight he saw no difficulty in agreeing to it, but that he must have time to think it over. He assumed that the words 'a privileged position' only referred to political and territorial factors. They should not, he maintained, cover economic matters, since Italy had considerable commercial interests in the Yemen. I told His Excellency that when Mr. Rendel arrived he would be prepared to discuss the whole question and give full explanations on this matter as well as on our views as to the status quo.

15. (G) *Propaganda.*

I told His Excellency that propaganda generally must necessarily figure in any final document which we might draw up, since the subject had given rise to such wide discussion in political and press circles in England. I hoped to be able at a later stage in our conversations to suggest for his consideration a formula on the subject.

16. (H) *Abyssinian questions.*

(i) *Recognition of Italian sovereignty over Abyssinia.* I next came to the questions connected with Abyssinia, and told His Excellency that I felt sure he would wish primarily to hear our views on the problem of recognition. As he was aware, His Majesty's Government were committed in the House of Commons to the attitude that a decision on this point rested not only with His Majesty's Government alone but was one for the League of Nations. We were prepared, however, in the event of our reaching agreement on all other outstanding matters, to give an undertaking on the subject (see Annex 6) which I hoped would prove satisfactory to him. It would of course be understood that any arrangements we might come to on the different questions to be discussed would not take effect until such recognition had been accorded. His Excellency enquired when His Majesty's Government intended to approach the League for the purpose indicated. I replied that I anticipated that no action could be taken before the Council Meeting in the early days of May. Count Ciano then asked whether it would not be possible to have a special meeting at a much earlier date, since he believed and hoped that we could come to a rapid settlement, perhaps even in two or three weeks' time, on all the other questions placed on the agenda which I had submitted to him. I observed that even so, there still remained the settlement of the Spanish problem. His Excellency stated that he did not altogether understand my interpretation of the position, according to Count Grandi's reports of his conversations with the Prime Minister and Mr. Eden, we had declared that we were ready to begin conversations as soon as the Italian Government had agreed to the British formula concerning the withdrawal of volunteers. I said that this was so, and the conversations had now begun. Count Ciano then asked whether I meant that the conclusion of the conversations was dependent upon some other factor, i.e. not only on the acceptance by the Italian Government of the British formula but on its practical application. I replied that this was my view. Count Ciano then asked what such practical application involved. Would it mean that we must delay our agreement until a sufficient number of volunteers had been withdrawn to allow belligerent rights to be granted to General Franco? I replied that this was a question which at present I could not answer. His Excellency begged me to obtain information from you on this point as soon as possible, since it was naturally of the greatest importance to the Italian Government. He then sent for the records of Count Grandi's communications to Rome on the subject and read me portions of them. From these it was clear to me that some misunderstanding had arisen, either in Count Grandi's mind or in that of Count Ciano himself. (I should not be surprised if this misunderstanding centred round the words 'a settlement of the Spanish question'—see paragraph 4 of Your Lordship's despatch No. 236 of February 21st last.[7] Count Grandi appears to have interpreted that expression as if the acceptance of the formula were the equivalent of its practical application.) Count Ciano proceeded to enquire what the position would be between the conclusion of our present conversations and the meeting of the May Council. I answered that I imagined that it would be necessary to place the settlement in cold storage until we could release it by our recognition of Italian sovereignty in Abyssinia, and I suggested that perhaps some joint statement could be issued explaining the position. His Excellency, who was obviously unhappy at the probable delay involved (for it is clear that he greatly desires a speedy agreement), remarked that the 'settlement' of the Spanish question might postpone the conclusion of the agreement even beyond the forthcoming Council Meeting. He assured me that the Italian Government had every intention of implementing loyally and fully their acceptance of the British formula. After prolonged discussion we agreed to leave the matter in abeyance for the time being. Count Ciano averred that he would see Count Grandi on the following day (March 9th), and I undertook to telegraph at once to Your Lordship. The point was obviously one to which His Excellency attached the utmost importance, and I

[7] No. 573.

venture to suggest that in the answer to this question lies the most important factor which will contribute to the eventual success or failure of these conversations.

(ii) *Boundaries.* We then reverted to certain other matters connected with Abyssinia. I told His Excellency that we were prepared to agree with his suggestion that a final settlement of the boundaries should wait until after the recognition of sovereignty was accorded. I proceeded to specify the boundaries in question: (a) Sudan-Abyssinian frontier, (b) Kenya-Abyssinian frontier, (c) British Somaliland-Abyssinian frontier, (d) British Somaliland-Italian Somaliland frontier, and I added that once recognition of Italian sovereignty had been accorded, His Majesty's Government expected that the boundaries would be discussed immediately and the questions connected with them dealt with on the most friendly basis. To meet the intervening period His Excellency had suggested that we should arrange for a *bon voisinage* agreement. His Majesty's Government welcomed this suggestion, and I hoped shortly to be able to give him a formula on this subject. I warned Count Ciano, however, that we should desire that the formula should include some assurance that the Italian Government would do their utmost to put a stop to slave raiding expeditions from Abyssinia into the adjacent territories. His Excellency did not dissent. There were, I added, two other points connected with Abyssinia which I thought could be left over to be dealt with after Italian sovereignty had been recognised, namely, the surrender of extra-territorial jurisdiction in Abyssinia, and the question of extradition. As to the former His Excellency observed that he assumed extra-territoriality would legally cease with the recognition of sovereignty. On the other hand there were, I continued, certain other matters connected with Abyssinia which we felt should figure in principle in any instrument which might now be drawn up as the result of our present talks. These were

(a) *Lake Tsana.* His Majesty's Government would be glad to receive a reaffirmation from the Italian Government of their previous undertakings to respect our existing rights in Lake Tsana.[8] Negotiations on technical points concerning the lake could, in the opinion of His Majesty's Government, await the formal recognition of Italian sovereignty, provided an assurance of the above mentioned nature were now given.

(b) *Raising of Native Armies.* I told Count Ciano that we earnestly trusted that the Italian Government would be willing to reaffirm to His Majesty's Government the assurance given in their Note to the League of Nations on June 29th, 1936,[9] on this subject, and I handed him a tentative formula (see Annex 7). His Excellency observed that, according to the assurance referred to, the enrolment of volunteers was not precluded, provided that no compulsion was used. I then expressed the view that no further forces ought to be required in Abyssinia other than those necessary for local policing and territorial defence. The matter, I said, was one to which His Majesty's Government attached great importance.

(c) *Treatment of Missonaries.* I next indicated to His Excellency that His

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[8] See Volume XVI, No. 493, note 3.

[9] See Volume XVI, No. 390.

Majesty's Government assumed, but would be grateful for a definite assurance, that it was the Italian intention to apply to Abyssinia Article 11 of the Covention signed at Saint Germain on September 10th, 1919, concerning the work of missionaries, the effect of which would be that the Italian Government would consent to afford facilities for missionary work without distinction of nationality or religion, subject, of course, to the Italian Government's responsibility for the maintenance of law and order.

(d) *General British Interests.* His Majesty's Government, I said, took it for granted that once recognition of Italian sovereignty took place the Anglo-Italian Commercial Treaty of 1883, which was extended by the Anglo-Italian Convention of 1914 to British India, would apply, since Abyssinia would then be legally included among Italian dominions and possessions. His Majesty's Government, I added, would further remind the Italian Government that in a Note to the League of Nations on June 29th, 1936,[9] it was stated that measures would be taken to guarantee the freedom of transit and communications and fair treatment for the trade of all countries. I then referred to the desirability of a speedy settlement of certain current questions relating to specific British interests which for some time had been the subject of discussions between our two Governments, i.e., full implementation of the agreement regarding the buying out of the Mohammedally firm, a satisfactory solution of the matter of the expropriation of the Sudan Interior Mission, and, lastly, the case of the Ethiopian Motor Transport Company. His Excellency noted these cases.

17. On all Abyssinian matters, and, indeed, generally, Count Ciano and I agreed that the conversation which we had just had was of a preliminary character. Count Ciano stated that he felt it necessary to consult the Head of the Government on the various questions I had raised, and we agreed to continue our conversations within the next few days, and to give the press the information of which the text is attached (see Annex 8).

18. This finished the initial survey of the questions on the list of agenda which I had handed to His Excellency at the outset of our interview. Before leaving him, however, I said that there was one matter which we did not propose should be placed on the agenda, but which I desired to mention to him personally and informally, since I fully recognised its delicacy. It was the question of the future of Ras Tafari. Had the Italian Government given it any consideration, and if so what were their views? Count Ciano replied that he must consult Signor Mussolini before giving me an answer, but he could say at once that in no circumstances would Ras Tafari be allowed to return to Abyssinia, either as an independent authority or under Italian control. This applied equally to his descendants. Ras Tafari was regarded by Italians with the greatest contempt. He had not only deserted his followers in a crisis but had taken away all the money and possessions which he could collect. He and other Italians had a far greater admiration for Chiefs such as Ras Desta, who had been killed, than for the fugitive ex-Emperor. As regards money, that might possibly be paid even to someone whom the Italians despised, but there would have to be an adequate return. I presume that by the use of this phrase

Count Ciano was referring to some renunciation by Ras Tafari of his present claims.

19. I have sent a copy of this despatch to His Majesty's Representatives [*sic*] at Paris.[10]

I have, etc.,
PERTH

ANNEX 1 TO NO. 627

Letter from Viscount Halifax to Count Ciano

Personal FOREIGN OFFICE, *March 3, 1938*

My dear Count Ciano,

I am taking the opportunity of Lord Perth's return to Rome to send Your Excellency by him this personal message of greeting. I am prompted to do so not only because I have just assumed the office of His Majesty's Principal Secretary of State for Foreign Affairs, but also because the moment coincides with the opening of conversations which in all sincerity I trust will herald the rebirth of that old friendship between our two countries which up till recently has been a cardinal factor in the policy of both.

I remain, my dear Minister,
Yours very sincerely,
HALIFAX

ANNEX 2 TO NO. 627

List of Subjects for the Agenda of Anglo-Italian Conversations

1. Spain.
2. Reaffirmation of Mediterranean Agreements, including exchange of Notes of January, 1937.[6]
3. Extension of status quo portion of Mediterranean Declaration to other Mediterranean Powers.
4. Italian forces in Libya.
5. Exchange of military information.
6. Naval Treaty.
7. Palestine.

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[10] Foreign Office telegram No. 56 to Rome of March 8 stated that Lord Halifax wished official publicity about the Anglo-Italian discussions to be kept down to a minimum. Lord Perth replied in telegram No. 122 of March 9 that Count Ciano had himself 'expressed opinion that at present stage we should limit official publicity to a minimum'.

This opening conversation of March 8 was followed by fourteen other conversations between Lord Perth and Count Ciano in the negotiations for an Anglo-Italian agreement. These conversations are reported fully in Lord Perth's telegrams and despatches from Rome, filed under R 23/22. They are not for the most part printed here as they are conveniently and fully summarized in No. 662 below.

8. Syria.
9. Arabia.
10. Propaganda generally.
11. Abyssinian questions:
    - (a) Recognition of Italian sovereignty.
    - (b) *Bon voisinage* agreement pending final settlement of frontiers, namely, Sudan-Abyssinia frontier, Kenya-Abyssinia frontier, British Somaliland-Abyssinia frontier, British Somaliland-Italian Somaliland frontier.
    - (c) Lake Tsana.
    - (d) Raising of native armies.
    - (e) Treatment of missionaries in Abyssinia.
    - (f) General British interests, trade, etc., in Abyssinia.

ANNEX 3 TO NO. 627

Statement relating to the move of certain units to the Mediterranean

1. The projected Army movements to the Mediterranean are as follows:

(a) 1st Light Tank Battalion to Egypt.
Numbers involved—approximately 470 all ranks.
Date of sailing—*18th March, 1938*.
Notice of this move appeared in the Press at the end of January.

(b) Drafts to bring units at present forming part of the garrison of Egypt up to their authorised establishments.
Numbers involved approximately 600 all ranks.
Date of sailing—before the end of April.

(c) One infantry brigade (of three battalions) and ancillary troops to be stationed in Palestine.
Numbers involved approximately 1,300 all ranks.
Date of sailing—dependent on the provision of accommodation, probably in six months' time.

(d) One field company R.E.
Numbers involved approximately 120 all ranks.
Date of sailing—dependent on the provision of accommodation, probably in six months' time.

2. The projected Air Force movements are as follows:

(a) One fighter squadron will be despatched to Egypt with the necessary reserve aircraft and personnel about the end of April.

(b) Two light bomber squadrons with the necessary reserve aircraft and personnel will be despatched early in May.

(c) The necessary additional ground personnel for the maintenance of the increased force in Egypt, together with some additional aircraft to bring units now in Egypt up to approved establishments, will leave England between April and July.

N.B. These squadrons form part of the 12 squadrons which it was announced in a statement in March, 1936, were to be located at convenient places on the strategic air routes overseas.

Three of these squadrons have already been despatched overseas in the course of the last two years, for instance, to Singapore and Kenya. Others will be despatched in the course of the next two years to such places as Ceylon and the Far East.

ANNEX 4 TO No. 627

Suggested Formula Re Palestine

His Majesty's Government desire to obtain from the Royal Italian Government an undertaking that they will refrain from any attempt to create difficulty for His Majesty's Government either in the framing of policy for or administration of Palestine.

ANNEX 5 TO No. 627

Suggested Formula Re Arabia

The two Governments agree so far as they are concerned to do nothing to disturb the territorial status quo in Arabia, and that neither of them will seek to obtain for itself a privileged position on the Arabian coast of the Red Sea.

ANNEX 6 TO No. 627

Suggested Undertaking Re Recognition of Italian Sovereignty over Abyssinia

If agreement is reached on all the outstanding questions between His Majesty's Government and the Royal Italian Government, His Majesty's Government will at the earliest opportune moment take steps at Geneva with a view to removing the existing obstacles in the way of the recognition of Italian sovereignty over Ethiopia.

ANNEX 7 TO No. 627

Suggested Formula Re Raising of Native Armies

The Italian Government reaffirm the assurance which they gave in their Note to the League of Nations of June 29th, 1936,[9] that Italy on her side was willing to accept the principle that natives should not be compelled to other military duties than local policing and territorial defence.

ANNEX 8 TO No. 627

Statement for the Press

Conversations were begun to-day between Count Ciano and Lord Perth, British Ambassador in Rome. A preliminary survey was made of the ground to be covered. The conversations will continue.

No. 628

Memorandum[1] *by Lord Halifax on Spain and the Anglo-Italian conversations*

F.P. (36)55

Secret FOREIGN OFFICE, *March 11, 1938*

I think it is desirable for the Cabinet to consider a difficulty that may arise in connexion with our Italian conversations.

2. The Prime Minister gave an assurance to the House of Commons on the 21st February[2] that His Majesty's Government would not complete the Anglo-Italian negotiations unless 'the agreement contained a settlement of the Spanish question.' His Majesty's Government have, however, never defined the precise meaning which they place upon this expression 'settlement of the Spanish question.'

3. I have always assumed that this meant a settlement from the international point of view; that is to say that a satisfactory stage must have been reached in the execution of the policy of non-intervention, comprising the prohibition to supply arms, munitions or volunteers to either party in Spain, and that the British plan for the withdrawal of foreign volunteers, the restoration of the land frontier observers, the strengthening of the sea observation scheme and the eventual grant of limited belligerent rights to both Spanish parties should be well on its way to realisation.

4. At the present time all parties to the non-intervention agreement profess to be carrying out its terms, despite the fact that the system of observation on the land-frontiers with Portugal and France is not in operation and the sea-control scheme is only partially functioning. The British plan for the withdrawal of foreign volunteers has been submitted to the Governments concerned.

5. But the successful execution of this plan is a matter of international co-operation and does not depend *exclusively* on Italian goodwill and good faith. Foreign volunteers cannot be withdrawn from Spain without the loyal and active co-operation of all Government parties to the Non-Intervention Agreement together with that of the two Spanish parties. The plan is costly, and His Majesty's Government have not as yet taken any definite decision to

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[1] This paper represents the final version of Sir G. Mounsey's original memorandum of March 1: see No. 622, note 3. This copy has been supplied from the Cabinet Office archives.

[2] See No. 576, note 1.

commit themselves to undertake the full financial burden attributed to them under the scheme. On this point I am still in correspondence with the Chancellor of the Exchequer.

6. The time-table is an important element. The *shortest possible time* in which the withdrawal of foreign volunteers can be *completed* is one hundred days from the final adoption of the resolution by the Non-Intertion Committee, after that resolution has been accepted by the two Spanish parties; while the *minimum period which must elapse before actual withdrawal begins* is forty-five days from the same date. It is impossible at the present time to give any estimate as to when the Non-Intervention Committee will be in a position to adopt its resolution; but this must in any event be a matter of weeks, for the adoption of the resolution depends upon the solution of a number of rather obstinate questions.

7. In the first place there is a divergence of view as to the basi[c] figure on which 'substantial progress' in the withdrawal of volunteers, with its corollary of the grant of limited belligerent rights, should be reckoned. Lord Plymouth is not unhopeful that on this point, after a good deal more argument, it may be possible to reach agreement.

8. In the second place, the French Government, supported by the Soviet Government, basing themselves on a unanimous resolution of the Non-Intervention Committee of the 4th November last,[3] have argued that observation should not be restored on the land frontiers until the two Commissions, which are to be sent to Spain, have submitted their reports to London and these reports have been accepted by the Committee. The German, Italian and Portuguese Governments, on the other hand, have with some reason objected that so long as the land frontiers remain open, it is impossible for the Commissions to report accurately the numbers of volunteers serving on either side in Spain, as movements backwards and forwards across these frontiers can take place while the process of counting is in progress. Their agreement to the fixing of a basic figure for withdrawal of volunteers is therefore made dependent on the restoration of land frontier control so soon as the two Commissions reach Spanish soil. His Majesty's Government are endeavouring to bring the two views on this point nearer to a compromise, and have endeavoured to secure the co-operation of the French Government in their efforts. But the reply of the latter which has now been received does not solve the difficulty.

9. This brings me to a difficulty of another kind. The policy of non-intervention in Spain was initated by the French Government with the strong support of His Majesty's Government. We are endeavouring to ensure the success of that policy by maintaining close touch and acting in complete accord with the French in the International Committee. Unfortunately, however, a growing divergence between the attitude of the two Governments is gradually becoming manifest. His Majesty's Government are concerned solely to make the policy of non-intervention effective by all means in their power and more particularly by working in frank co-operation with all other

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[3] See No. 292, note 1.

interested Governments. The French Government seem unable to divest themselves of an ingrained distrust of the good faith of the Italian Government which they are, moreover, reluctant to put to the test. Partly, no doubt, also for reasons of internal policy they seem not so much concerned to co-operate in bringing the work of the Committee to a successful issue, as to avoid any course of action which may be interpreted by their own public as constituting a concession to the Italian point of view.

10. The difficulty mentioned in paragraph 8 affords an illustration of this attitude. The resulting situation may resolve itself into a deadlock and the question may then arise as to the attitude which His Majesty's Government must take up as between the divergent views of the other parties. Whether they will be faced with this dilemma in this particular instance still remains to be seen. It may be that some way can still be found to resolve the deadlock which now threatens. Even so, it must be recognised that sooner or later His Majesty's Government may find themselves at issue with the French Government in the Committee's work, owing to what they may regard as the *unreasonable* reluctance of the latter to contribute their share to the general spirit of concession required for a successful outcome of the Committee's labours. But a successful outcome of the Committee's labours is essential and within as short a time as possible, if a settlement of the Spanish question is to come in sight and the Anglo-Italian conversations are to be completed. His Majesty's Government may have to be prepared to use all their influence with the French Government to carry them along in this work of settlement; and if their efforts are met with insufficient response or even with obstructive tactics they may find themselves compelled to make a choice between the alternative courses (1) of supporting their French friends in an attitude which His Majesty's Government may consider unreasonable or obstructive, at the risk of splitting the Committee into two camps and wrecking its chances of success, as well as destroying all hope of a successful outcome of the Anglo-Italian conversations, or (2) of bringing pressure to bear on the French Government to make concessions which will be most unwelcome to them, with the possibility of producing a breach in their present friendly co-operation and even a progressive deterioration in their general future relations with consequences that cannot be foreseen.

11. It is clear from the above illustrations of the difficulties involved in the execution of the British plan that the plan now under discussion may be wrecked by the attitude of the French or Soviet Governments or by some other unforeseen cause wholly unconnected with Italy. Alternatively, General Franco may be the cause of the failure of the plan by his failure to co-operate loyally in its execution, or the Spanish Government might be found to be the obstructive party.

12. In the event of any obstacles of the above nature arising, it would not be fair to expect the Italian Government to carry out their withdrawal of volunteers alone or, indeed, otherwise than *pari passu* with others.

13. Even assuming that all parties agree to the plan and that all concerned co-operate loyally and actively in the arrangements for securing the

withdrawal of foreign volunteers from Spain, it will remain for consideration at what stage in the execution of the plan His Majesty's Government would feel themselves at liberty to complete the Anglo-Italian negotiations, supposing that they have in other respects proceeded satisfactorily. In other words, at what stage in the execution of the plan is it proposed that His Majesty's Government shall consider that the settlement of the Spanish question is being or has been achieved? It is evident that the rate of progress of the negotiations for the withdrawal of foreign volunteers from Spain cannot at the present moment be gauged, and that it is impossible to foresee what events within or outside the Non-Intervention Committee may occur to affect that progress adversely. At best, these negotiations cannot be completed for a considerable time.

14. The time factor is important from two points of view:

(1) The Council of the League is due to meet on the 9th May, and I much hope that it may be possible to take such action as may be decided in regard to moving the League to free our hands about Abyssinia at that meeting. The next meeting of the Council would not be till September and provided our Italian conversations go well, I do not think we ought to take the risk of allowing the resulting provisional agreement to stand over in storage so long. The consequences of such a delay would be highly dangerous, if not actually disastrous to the prospects of ultimate agreement. Count Ciano is already (see Lord Perth's telegram No. 119, attached as Annex No. 1)[4] professing concern at having to wait till May.

(2) We must anticipate that the Italian conversations will be ripe for conclusion, if things go well, before the stage of actual withdrawal of volunteers has been reached in Spain.

15. It seems therefore essential that His Majesty's Government should consider how far they can afford to allow delay in the settlement of the Spanish question not due exclusively or perhaps at all to Italian fault, to block the conclusion of their agreement with Italy, with all the consequences of its possible collapse that delay might involve.

16. I should like to think that there was a fair chance of this very real difficulty not arising; but I confess to a feeling of something like certainty that, however well things go on the Non-Intervention Committee, the scheme of withdrawal, &c., will not, in fact, be operating by the time the Council meets (the 9th May). There is, indeed, good reason to fear that not only will the scheme itself not be operating by that date, but that the resolution required for the enforcement of that scheme may, at the present rate of progress, not have been passed by the Committee by the 9th May. If so, it looks like our ultimately having to choose between two alternatives. Either we may have to stick to the literal fulfilment of the Spanish 'condition,' interpreted in the sense of paragraph 3 above, whether delay was or was not the fault of Italy,

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[4] Not printed: cf. No. 627, note 10.

with our eyes wide open to the possible consequences of delay; or we may have at some stage in the proceedings to tell the House of Commons frankly why it is not possible to implement the Prime Minister's undertaking that the agreement with Italy would be contingent on a settlement of the Spanish question, so understood.

17. My own tentative view is that if I was personally convinced of the good faith of the Italian Government in the matter, I should favour telling the House of Commons exactly how the delay arose—whether due to the other parties or to unexpected difficulties of machinery—and explaining that, in the circumstances, as His Majesty's Government were satisfied of the good faith of the Italian Government, they did not propose to hold up the Anglo-Italian Agreement pending a Spanish settlement. Lord Perth's telegram No. 119 shows that the Italian Government themselves may be expected to press very strongly for this course of action.

18. On the other hand, there is no doubt that opinion in this country will be most suspicious of any apparent departure from the Prime Minister's undertaking unless the grounds for doing so are patent and convincing. Moreover, unless the Anglo-Italian Agreement can be concluded in an atmosphere relatively free from acrimony, we shall be in danger of future relations again being jeopardised by press attacks and speeches from the Opposition—a result which presumably the Italians themselves would wish to avoid.

19. If His Majesty's Government are to go so far as so greatly to modify, for whatever good reasons, the policy so recently announced by the Prime Minister in this regard, I feel myself that the Italian Government for their part should be prepared to make their contribution by some gesture affording proof of their good intentions. In these circumstances and for these reasons, I think that we must resist Italian pressure designed to induce us to agree at this stage to committing ourselves to the separation of the Spanish question from the Rome negotiations. We should, however, be prepared in our own minds to contemplate informing the House of Commons of our intention of doing so *if and when* convincing proof can be adduced that the delay in the settlement of the Spanish question is not due to Italian obstruction. The position might perhaps be helped if we could get the Italian Government to make some gesture—e.g., a token withdrawal, a total withdrawal of airmen, or a total withdrawal from the Balearics, calculated to impress public opinion favourably. Failing this, it might perhaps be possible to invite the Italian Government to furnish us, in advance of the execution of the British plan for Spain, with a firm undertaking that they will accept and carry out, *pari passu* with other Governments concerned, reasonable proposals which His Majesty's Government would submit to them for assuring and expediting the settlement of the Spanish question. The receipt of such assurances might be of help to overcome obstruction from other quarters in the proceedings of the Committee, and enable His Majesty's Government to adopt a firmer line, in particular with the French Government. It is, however, I suppose, too much to expect that any assurances from the Italian Government, in advance of

demonstrable action, would be accepted in the House as sufficient guarantee that a settlement of the Spanish question was being achieved.

20. There is one other matter which we should bear in mind. The Prime Minister stated in the House of Commons on the 21st February that, if an Anglo-Italian agreement were achieved, we should desire to obtain the approval of the League for it. It is suggested that this undertaking should be regarded as having been fulfilled if at the next meeting of the Council we seek to obtain from the latter some pronouncement which would have the effect of freeing the hands of those members of the League who have hitherto refrained, out of loyalty to the League, from regularising their relations with Italy. Such an interpretation of the Prime Minister's undertaking should be readily defensible, as it is clear that the recognition question is the only one arising on the Italian conversations for which League approval could possibly be necessary.

21. In this connexion there is a further possible difficulty. What is to happen if, when we go to Geneva to ask the Council to free the hands of League Powers to recognise the Italian position in Abyssinia, the Council proves unwilling to do so?

22. The form in which our approach might be made is still under discussion, and it may be that on the form ultimately decided may in part depend whether or not it will be possible to secure a satisfactory Council resolution on the subject.

23. There is, indeed, good ground for the view that we are not bound by any provision of the Covenant (though the League has in the past adopted certain resolutions which may be regarded as applicable) to seek liberty of action at the hands of the League, as we propose to do. Some sixteen Powers, members of the League, have not done so (see list attached as Annex No. 2).[5] Of these, Poland, Roumania, Latvia and Ecuador are represented on the Council.

24. We should propose to make such diplomatic preparation as we could with other Powers, including the United States of America, as well as the Dominions, but, in the event of the Council being unwilling formally to grant liberty of action, I should hope that it might be possible so to guide discussion at Geneva along the lines of individual declarations as in fact, in the last resort, to facilitate the action of recognising Italian sovereignty by ourselves and other members of the Council who may wish to do so. This could not be regarded, however, as a satisfactory method of dealing with the matter either from the point of view of the League or of public opinion in this country, and any general knowledge in advance of the Council meeting that such was our intention would in all probability defeat our efforts to secure our first objective of a satisfactory Council resolution. I therefore put it forward with some hesitation.

25. In any event, I think that we should only be justified in taking action at the May Council if we were really satisfied of the good faith of the Italian Government in the execution of the agreement at which we should have

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[5] Not printed.

arrived. "Good faith" is obviously difficult of definition; but I cannot suggest any better test.

26. My conclusions therefore would be:

(1) That we should tell the Italians we could not move at Geneva before the 9th May, and then only if we were satisfied on the other matters under discussion between us, and on their general attitude to Spain.
(2) That we should do everything in our power to press on the Non-Intervention Committee's progress, even if this involves putting strong pressure on the French.
(3) That we should be prepared, if satisfied of Italian good faith generally and in regard to Spain, to tell Parliament why we thought it right to ask authority to give a practical interpretation to the Prime Minister's undertaking of the 21st February.
(4) That we should regard an approach to the League on the recognition question as fulfilling the Prime Minister's undertaking to seek League approval for an Anglo-Italian agreement, and that we should, again on the condition of being satisfied of Italian good faith, be prepared to take action, even if the Council of the League was unwilling or unable to reach corporately what we should regard as a favourable decision. But any general knowledge in advance of the Council meeting that such is our intention would render very much more difficult, if not impossible, the achievement of any Council resolution on the subject.

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No. 629

Viscount Halifax to Sir M. Lampson (Cairo)

No. 140 Telegraphic [*R 2513/23/22*]

FOREIGN OFFICE, *March 15, 1938, 5.45 p.m.*

Your telegram No. 148, paragraph 4.[1]

It is too early to say whether or in what way developments in Austria will affect the Anglo-Italian conversations, and I regret that I cannot yet therefore give you any message to tranquillize Minister for Foreign Affairs on that score.

So far however as Italo-Egyptian relations are concerned it is not clear to me how Austrian situation of itself could affect them one way or the other, and you may at your discretion inform His Excellency accordingly.

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[1] In this telegram of March 13, Sir M. Lampson reported that the Egyptian Minister for Foreign Affairs had said that evening that the German action in Austria did not appear so far to have had any deleterious effect upon the Anglo-Italian conversations, but his colleagues were definitely anxious on the point and he asked whether Sir Miles could 'get some message from you to relieve their fears that Anglo-Italian talks might be effected [*sic*] for the worse'.

No. 630

Conclusions of the twenty-fifth meeting of the Cabinet Committee on Foreign Policy, held at 10, Downing Street, S.W.1, on Tuesday, March 15, 1938, at 11.15 a.m.

[R 2711/23/22]

Secret 2, WHITEHALL GARDENS, S.W.1, *March 15, 1938*

With reference to Cabinet 11 (38) Conclusion 5, the Committee had before them a Memorandum by the Secretary of State for Foreign Affairs (Paper F.P.(36)55) on certain difficulties which may arise in the Anglo-Italian Conversations in regard to the Spanish question.[1]

THE PRIME MINISTER drew attention to paragraph 2 of the Memorandum:

> '2. The Prime Minister gave an assurance to the House of Commons on 21st February that H.M. Government would not complete the Anglo-Italian negotiations unless "the Agreement contained a settlement of the Spanish question". H.M. Government have, however, never defined the precise meaning which they placed upon this expression "settlement of the Spanish question".'[2]

The Prime Minister recalled that in his speech in the House of Commons on 21st February he had said 'We do not consider that it is part of our duty or part of our aim to dictate to the Spaniards what settlement they shall make. The settlement we want is a settlement of Spanish questions by Spaniards free from foreign interference.'

A little earlier in the same speech he had said 'Not only did I tell Count Grandi that a settlement in Spain was a necessary and essential element in any agreement that we might make, but I pointed out to him that if we made an agreement we could not ourselves go to the League and ask the League to approve that agreement if in the meantime anything had been done by the Italian Government in regard to Spain which had altered the situation in favour of General Franco, either by sending reinforcements to Spain or by failing to implement the assurances and undertakings that they had given when they accepted the British formula'.

He thought that it would be as well for the Committee to bear these quotations in mind, but at the same time he did not think that by reason of them the Government were necessarily pledged to the view that the Spanish question must be settled before an Anglo-Italian Agreement could be executed.

THE SECRETARY OF STATE FOR FOREIGN AFFAIRS[3] said that the Prime Minister's first quotation could be read by those who wished so to read it as tied up with the Abyssinian recognition question and interpreted as meaning that there must have been a withdrawal of Italian and other foreign volunteers from Spain before we entered into an agreement with Italy.

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[1] See No. 628.

[2] This passage and the passages quoted below occurred in Mr. Chamberlain's speech following Mr. Eden's explanation of his resignation to the House of Commons: see No. 576, note 1.

[3] Lord Halifax.

THE PRIME MINISTER thought that those who wished to do so could give an even wider interpretation to this quotation and could argue that it might mean not only that the volunteers must be withdrawn from Spain, but that a settlement of the Spanish question must have been reached before an Anglo-Italian Agreement could be made.

THE CHANCELLOR OF THE EXCHEQUER[4] thought that the Prime Minister's words in the second quotation 'that a settlement in Spain was a necessary and essential element in any agreement that we might make' would be construed by public opinion to mean some concrete action by the Italians, such as an actual withdrawal of volunteers.

THE SECRETARY OF STATE FOR FOREIGN AFFAIRS said that individuals would no doubt argue as to the precise meaning of the expressions used by the Prime Minister according to their temperament and predilections, but he thought that the general view of the House of Commons and of public opinion in the country would be in agreement with the interpretation which he had adopted in the third paragraph of his memorandum, viz:

> 'I have always assumed that this meant a settlement from the international point of view; that is to say that a satisfactory stage must have been reached in the execution of the policy of non-intervention, comprising the prohibition to supply arms, munitions or volunteers to either party in Spain, and that the British plan for the withdrawal of foreign volunteers, the restoration of the land frontier observers, the strengthening of the sea observation scheme and the eventual grant of limited belligerent rights to both Spanish parties should be well on its way to realisation'.

THE SECRETARY OF STATE FOR DOMINION AFFAIRS[5] pointed out that this paragraph meant not only that there must have been some withdrawal of volunteers from Spain, but that the withdrawal must have been of a substantial character.

THE SECRETARY OF STATE FOR FOREIGN AFFAIRS said that the purpose of his Memorandum was to show that if a settlement of the Spanish question, as defined in paragraph 3, was to be achieved this would be very difficult, if not impossible, on the time-table now contemplated for the progress of the Anglo-Italian Conversations and the Meeting of the Council of the League on 9th May next. In these circumstances it seemed that we might have to choose between the dilemma of giving a liberal and practical interpretation to the Prime Minister's undertaking of February 21st, or running a grave risk of losing any results from the Anglo-Italian Conversations by having to tell Italy that we could sign no agreement with her because no agreement on the Spanish question had been reached. As between these two courses he (Lord Halifax), though with some hesitation, favoured the first course, namely, that Parliament should be frankly informed of the real difficulties which would prevent the machinery of the time-table from working as had been contemplated, and that accordingly the Government were prepared, if satisfied of Italian good faith generally, and in particular in regard to Spain, to ask that they should be authorised to give a practical interpretation to the Prime Minister's undertaking of 21st February.

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[4] Sir J. Simon.

[5] Mr. M. MacDonald.

THE CHANCELLOR OF THE EXCHEQUER suggested that there was a third possible alternative. We might go to the League, say that we were prepared to recognise the conquest of Abyssinia and ask for the approval of the League, adding that it was not our intention to accord actual recognition until the Spanish situation had been cleared up. In effect we should say that while it was not possible for us to recognise the Abyssinian conquest when the Council of the League met on the 9th May because the Spanish question would then remain unsettled, it was our intention to accord recognition as soon as a satisfactory settlement of that question had been reached. The advantage of this course was that it would give us a lever which we could use if need be against Italy to make her more amenable on the Spanish question, while the disadvantage would be that the Italians would regard our action as an attempt to manoeuvre them into a false position.

THE SECRETARY OF STATE FOR FOREIGN AFFAIRS said that the possibility of proceeding on some such lines as the Chancellor of the Exchequer had suggested had already occurred to him but he doubted whether the proposal would serve any really useful purpose. So far as we were concerned, the recognition of Abyssinia would involve no overt action apart from giving Lord Perth his new credentials. Italy would obtain all that she wanted if the League gave approval in principle to the recognition of the Abyssinian conquest. She would not very much mind a postponement on our part of that recognition. Public approval [*sic*] here would also regard the approval by the League of the recognition of the Abyssinian conquest as what really mattered.

THE HOME SECRETARY[6] doubted whether it would be found possible to persuade the League to go further than a resolution stating that the Empire of Abyssinia having ceased to exist, every member of the League was at liberty to take the action that it thought fit. If, however, the League could be persuaded to go further than this, he would be in favour of some such arrangement as that suggested by the Chancellor of the Exchequer, namely that the League should approve in principle the recognition of the Abyssinian conquest, but that actual recognition should not be accorded until the Spanish question had been settled.

THE SECRETARY OF STATE FOR THE COLONIES[7] thought that Italy would accuse us of bad faith if, having obtained authority from the League to recognise the Abyssinian conquest, we did not in fact do so.

THE CHANCELLOR OF THE EXCHEQUER suggested that the Government could argue that they were fully committed to go to the League on the Abyssinian question, but that the difficulties would be very much increased if they had automatically to recognise Italy's conquest of Abyssinia provided only that the League acquiesced in such recognition. Therefore, actual recognition must be coupled up with a settlement of the Spanish question.

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[6] Sir S. Hoare.

[7] Mr. W. Ormsby Gore.

The position at Geneva would in any case be a difficult one, and the difficulty would not be less if M. Paul Boncour were French Foreign Minister in May.

THE HOME SECRETARY suggested that this argument might be used with Count Ciano who should be told that we propose to follow this procedure and that it would therefore be advisable if Italy took steps to facilitate a settlement of the Spanish question with as little delay as possible.

THE SECRETARY OF STATE FOR FOREIGN AFFAIRS assumed, and the Committee agreed, that it would be undesirable for us to suggest an earlier date than the 9th May for the meeting of the Council of the League.

THE SECRETARY OF STATE FOR DOMINION AFFAIRS thought that it would be very difficult indeed to persuade public opinion that the right and proper course to adopt was the one suggested by the Chancellor of the Exchequer. He thought that public opinion would insist on the Italians taking some concrete action, such as a substantial withdrawal of Italian volunteers from Spain before any announcement was made that we were prepared to recognise the Italian conquest of Abyssinia. Could not the difficulty be got over by postponing the Abyssinian question to a Special Meeting of the Council to be held, say, in June or July, by which time we ought to know definitely whether Italy was satisfactorily carrying out any arrangement she might have entered into regarding Spain? He felt that we should be on the edge of very real danger if we adopted any other course.

THE PRESIDENT OF THE BOARD OF TRADE[8] agreed with the Secretary of State for Dominion Affairs that neither public opinion at home nor indeed the Council of the League would approve our recognition of the conquest of Abyssinia, if the position with regard to Spain remained substantially as it was at present. Could we not explain to Count Ciano the difficulties of the position and tell him that action at Geneva must depend on the withdrawal from Spain of a number of Italian troops? In reply to enquiries, the President said that he would tell Count Ciano that Italy must withdraw troops from Spain even if other countries refused to do so.

THE PRIME MINISTER thought that it would be quite hopeless to make this proposition to Count Ciano, and moreover that it would not be reasonable for us to do so. From the outset it had always been agreed that the withdrawal of volunteers from Spain must apply to both sides alike.

THE HOME SECRETARY agreed with the Prime Minister and said that according to the latest information there were now more French volunteers on the side of the Spanish Government than there were Italian volunteers on the side of General Franco.

THE PRIME MINISTER suggested that the Committee should agree with the first conclusion in paragraph 26 of F.P.(36)55, namely:

> (1) That we should tell the Italians we could not move at Geneva before the 9th May and then only, if we were satisfied on the other matters under discussion between us, and of their general attitude to Spain.

It had never been contemplated that we should ask the Italians to do more in regard to the withdrawal of volunteers or the withholding of supplies of arms and munitions etc. than other intervening countries were prepared to do, and he (the Prime Minister) was not prepared to depart from this position. At the same time he thought that it would be possible to tell Count Ciano that Hitler's recent action in regard to Austria had made it very much more difficult for the British Government to make an agreement with Italy, and in particular an agreement which recognised Italy's conquest of Abyssinia. Hitler's violent actions had also greatly strengthened the hands of those persons in this country who urged that we should cease to have any dealings of any kind with Dictators. In this connection the Prime Minister referred to the severe criticisms uttered against Dictators in the House of Commons debate on the previous evening, and in particular, to the remarks made by Mr. Alexander which had said in effect that the Labour Party were only prepared to support the Government's rearmament policy provided that there was a complete change of heart and policy on the Government's part.[9] In other words, that we should cease to try to make any agreements with Dictator countries.

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[8] Mr. O. Stanley.

He did not think anything that had happened should cause the Government to alter their present policy, on the contrary, recent events had confirmed him in his opinion that that policy was a right one and he only regretted that it had not been adopted earlier. He agreed, however, that recent events had greatly disturbed public opinion and that the Government's policy would have to be explained and justified to public opinion even more carefully and thoroughly than would otherwise have been necessary.

THE MINISTER FOR CO-ORDINATION OF DEFENCE[10] pointed out that the first conclusion in paragraph 26 of F.P.(36)55 dealt with what might be regarded as the first stage, namely, an agreement between ourselves and Italy covering Italy's general attitude on Spain. The second stage would be the implementing of that agreement by Italy. He assumed that the first stage would include Italy's acceptance of an agreement reached on the Non-Intervention Committee and that the question whether Italy was implementing that agreement honestly and in good faith would arise at some later stage. He thought that we should be satisfied at the outset with Italy's written assurance as to her general attitude on Spain, at the same time telling her that we must also be satisfied at a later stage that Italy was prepared to carry out her bargains if all the other countries represented on the Non-Intervention Committee were prepared to do likewise.

THE SECRETARY OF STATE FOR FOREIGN AFFAIRS pointed out that Conclusion 1 of Paragraph 26 of his Memorandum was concerned with the actions we proposed to take at Geneva on May 9th.

THE MINISTER FOR CO-ORDINATION OF DEFENCE thought that we ought to make it quite clear to the Italians that it would not be possible for us to move at Geneva on May 9th, unless we were satisfied beforehand that Italy was prepared in principle to withdraw her volunteers from Spain.

LORD PLYMOUTH said that Italy had already agreed to this in principle and the discussions now proceeding at the Non-Intervention Committee were concerned with the detailed application of the principle. New difficulties and obstacles were continually cropping up, and it was not inconceivable that we might be faced with a situation where Italy was prepared to accept arrangements which, in our view, were fair and reasonable but which France and Soviet Russia would refuse to entertain. If there was no change for the better in the present rate of progress on the Non-Intervention Committee, the withdrawal of volunteers from Spain would take many months to complete, and indeed we might never reach the stage of beginning to withdraw volunteers unless we were prepared to bring pressure to bear on the French Government to make concessions which would, of course, be most distasteful to that Government. We were, in fact, faced with the dilemma indicated at the end of paragraph 10 of F.P.(36)55.

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[9] See 333 *H.C.Deb.* 5 *s.*, cols. 152–61.

[10] Sir T. Inskip.

THE SECRETARY OF STATE FOR DOMINION AFFAIRS said that Lord Plymouth's observations had shown the serious difficulties with which the Government were faced. He (the Secretary of State) questioned whether the words 'on their general attitude to Spain' were specific enough. The discussions which had taken place at the Committee showed how difficult it was to secure unanimity on the meaning to be attached to expressions of this kind. It seemed to him that Count Ciano would readily accept this wording but that he would almost certainly attach an entirely different meaning to it from the meaning which we should place upon it, and that he would be content to leave the question of how the expression should be implemented to be discussed at some later time. He (the Secretary of State) was convinced that arrangements on this basis would not satisfy public opinion at home or in Geneva. Public opinion was already asking why Italy had failed to intervene in the Austrian crisis, and it was generally thought that there must be some secret and discreditable bargain under which, in return for a free hand in Central Europe, Hitler had given Mussolini a free hand in the Mediterranean and in particular in Spain. Public opinion was very suspicious indeed about Italian activities in Spain, and it would be most difficult to persuade our people to accept as sufficient a mere promise from Italy couched in vague general terms.

THE PRESIDENT OF THE BOARD OF TRADE agreed, and pointed out that nothing would be easier than for the Italians to get the Germans or General Franco to obstruct the implementing of any arrangement if, for any reason, they (the Italians) thought it desirable not to do so themselves.

THE MINISTER FOR CO-ORDINATION OF DEFENCE agreed that we could not act at Geneva on the faith of a mere written promise. When the time came it might well be that we should be able to satisfy public opinion that France or Russia, not Italy was the real obstructionist, but he also believed that the first step was to persuade Italy to enter into an agreement with us in general terms which provided for a settlement of the Spanish question.

THE PRESIDENT OF THE BOARD OF TRADE did not believe that it would be enough to make an agreement of this general character with Italy unless that agreement included something concrete and specific which Italy had got to do. He foresaw great difficulty in persuading public opinion to accept Italy's conquest of Abyssinia unless the withdrawals of volunteers from Spain were actually taking place.

THE HOME SECRETARY asked whether there was nothing more that could be done in the matter with the French Government. Would it not be possible to invite the French Ministers to come to London, as if so we might be able to persuade them to adopt our point of view in regard to the Spanish question? If France could be persuaded it would be much more likely that Russia would then come into line.

THE SECRETARY OF STATE FOR FOREIGN AFFAIRS said that he had considered the question of inviting French Ministers to visit London both in connection with this Spanish difficulty and on other grounds, but had decided that it would be better to wait until matters in Paris were more settled. It was not improbable that the present French Government might fall on March 17th. He had told M. Corbin that the reason he wished to press France to bring her policy in regard to Spain into line with our own was because of its reactions on the Anglo-Italian negotiations. M. Corbin had indicated that we might look for a satisfactory response, but instead of this we had received the unhelpful memorandum of the 8th March, 1938.[11]

Nevertheless he thought that in the long run we should be able to persuade the French to come into line with us. He did not underestimate the importance of the considerations which had been urged by the Secretary of State for Dominion Affairs and the President of the Board of Trade, but at the same time it must be realised that if the Anglo-Italian conversations were to break down the situation would be very much worse than if they had never been started.

THE LORD CHANCELLOR[12] said that he was impressed by what had been said about recent events having made it much more difficult for us to conclude agreements with dictators, but recent events had also made it much more necessary for us to have an agreement with Italy and so to prevent Italy from throwing herself finally and irretrievably into the hands of Germany.

THE PRIME MINISTER thought that there would be no settlement of the Spanish problem until the termination of the civil war in Spain. In spite of the infinite patience and perseverence shown by Lord Plymouth, the Non-Intervention Committee was making slow progress, and new obstacles and difficulties were constantly arising. He had hoped that the proposals for the exchange of prisoners might have been a first step towards bringing the civil war to an end, but even these proposals appeared to be in danger of a deadlock.

THE LORD CHANCELLOR referred to the telegram No. 134[13] on the 10th March from Mr. Leche stating in effect that the Spanish Government considered it unfair that they should exchange trained officers against militia men who more or less by chance had been given officers rank. Moreover they objected to the proposal of the Salamanca Government that that Government should select both their own officers and also the Basques to be exchanged for those officers.

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[11] A copy of this memorandum, setting out the views of the French Government on the re-establishment of land controls on the Spanish frontiers, was transmitted to the Foreign Office in Paris despatch No. 291 of March 8 (W 3052/83/41). A copy of a minute by Lord Plymouth commenting on the memorandum can be found under the same number.

[12] Lord Maugham.

[13] Not printed.

Lord Plymouth pointed out that the proposals mentioned in the telegram [in] question were concerned with a preliminary arrangement for the exchange of certain Basque prisoners. General Franco had intimated that at present he was not prepared to proceed to a general exchange of prisoners until the preliminary exchange of prisoners had been completed.

The Chancellor of the Exchequer said that he did not believe that the Government would be able to carry public opinion with them if on May 9th Italy was in the same position, vis à vis the Spanish question, as she was at present, and we then invited the Council to recognise the Italian conquest of Abyssinia. Public opinion would regard Italy's activities in Spain from the broad general point of view that she had extensively intervened in Spain in defience of her pledged assurances to the contrary. Public opinion would pay little attention to the arguments that it was not Italy's fault that the Non-Intervention Committee had been unable to reach agreement on points of detail.

The Secretary of State for Foreign Affairs said that however grave and embarrassing this aspect of the question might be the alternative, namely, a complete breakdown of the Anglo-Italian conversations and the deterioration of relations resulting from such a breakdown must be even worse.

The Minister for Co-ordination of Defence asked whether it might not be possible to rectify the position by means of a fresh statement in Parliament.

The Chancellor of the Exchequer read to the Committee conclusion (3) of paragraph 26 of F.P.(36)55, and expressed the view that public opinion would react badly to the policy here suggested:

> 'That we should be prepared, if satisfied of Italian good faith generally and in regard to Spain, to tell Parliament why we thought it right to ask authority to give a practical interpretation to the Prime Minister's undertaking of the 21st February.'

The Lord Chancellor suggested that if the main difficulty about an exchange of prisoners was due to obstinacy on General Franco's part, the Italian Government might perhaps be asked to use their good offices with General Franco.

The Prime Minister said that his view was very similar to that of the Chancellor of the Exchequer. He thought that as a result of recent events it would be very much more difficult for the Government to carry Parliament and public opinion with them in their policy of concluding an arrangement with Italy unless the Government were able to show that Italy was making some concrete contribution in return for recognition of the Italian conquest of Abyssinia. Accordingly, he did not think that at the present stage the

Committee could take any decision in regard to conclusions (3) and (4) of paragraph 26 of F.P.(36)55, but that it would be necessary to warn Count Ciano that the whole position had been very much altered by Hitler's action in Austria, that public opinion throughout the Empire was very much more suspicious and resentful and that it followed that more in the way of guarantees of good faith would be required from Italy than had previously been contemplated. Count Ciano should also be told that if Italy sincerely wished for an Anglo-Italian agreement he must assist us to get over the bad reactions on public opinion of Hitler's actions for which we recognised of course neither Italy nor himself were in any way responsible. One way in which he could assist would be in connection with the exchange of prisoners in Spain and with a view to the early termination of hostilities. It must be recognised of course that Count Ciano would be likely to raise difficulties and that our action in taking this line might be open to much misrepresentation in Italy.

THE HOME SECRETARY hoped that the Prime Minister's suggestion would be accompanied by heavy pressure on the French Government to bring their policy in regard to Spain into line with our own.

THE PRIME MINISTER entirely agreed, and hoped that arrangements would be made for French Ministers to visit London as soon as possible after a stable Government had assumed office in France.

THE PRESIDENT OF THE BOARD OF TRADE observed that the questions under consideration could very conveniently be coupled with the question of Czecho-Slovakia. If we could give France assurances that in the event of an attack by Germany upon Czecho-Slovakia we would stand by the side of France in resisting that aggression, this would be a most valuable *quid pro quo* for any concessions which we might require from France in regard to the Spanish difficulty.

THE LORD CHANCELLOR assumed that before taking any decisions in regard to our policy vis à vis aggression by Germany against Czecho-Slovakia, Ministers would be supplied with an appreciation by the Service Experts on all this would involve. *Prima facie* the difficulties in the way of our giving any effective assistance to Czecho-Slovakia were most formidable, and he doubted whether we could do much more than bomb Berlin and other German towns.

THE SECRETARY OF STATE FOR FOREIGN AFFAIRS said that he had been greatly helped by the discussion. He thought that the best course would be for him to draft in consultation with Lord Plymouth, a communication to Lord Perth which, before despatch, should be approved by the Prime Minister. This communication would indicate to Lord Perth the conclusions reached in the course of discussion and Lord Perth would be instructed to inform Count Ciano of its contents and in due course to report on Count Ciano's reactions. He (Lord Halifax) wished his colleagues to bear in mind, not only the domestic political difficulties with which the Government were faced in this matter, but the other and wider difficulties which any breakdown of the Anglo-Italian negotiations must give rise to.

THE SECRETARY OF STATE FOR THE COLONIES enquired whether Lord Perth could not speak to Count Ciano about Central Europe but without specially mentioning Austria, with a view to finding out, if possible, whether the Italians were quite as complacent as they pretended to be and whether there was any ground for suspecting some secret understanding between Germany and Italy, such as had been suggested in various quarters. Would Italy be prepared to make some concessions in return for a good understanding with France and ourselves?

THE SECRETARY OF STATE FOR FOREIGN AFFAIRS thought that nothing was more likely to aggravate the difficulties of the present situation than any suggestions that our ultimate objective was to unite France, Italy and ourselves against Germany.

THE SECRETARY OF STATE FOR DOMINION AFFAIRS fully agreed on the great importance of securing an agreement with Italy. He felt some doubt, however, about saying, in effect, to Count Ciano that our terms must be stiffer because of Hitler's recent actions. This certainly would give Count Ciano the impression that we were not sincere in desiring an agreement and that we were merely playing for time. Would not a better line be to say that throughout we had wanted guarantees of good faith and that recent events had made these guarantees all the more necessary from the point of view of satisfying public opinion throughout the Empire? He thought that there would be great danger of Count Ciano breaking off the Conversations if we gave him the impression that we had raised our terms because of Hitler's attack on Austria.[14]

THE PRESIDENT OF THE BOARD OF TRADE agreed with the Secretary of State for Dominion Affairs and suggested that Count Ciano should be told that we desired an agreement with Italy as much as ever, but that recent events had greatly increased the difficulties of the British Government in concluding such an agreement. We therefore desired his help to surmount these difficulties.

THE CHANCELLOR OF THE EXCHEQUER paid a tribute to the patience and perseverance which Lord Plymouth had shown in the affairs of the Non-Intervention Committee. He agreed, however, with the Prime Minister that it seemed very improbable that any real progress would be registered so long as the Civil War in Spain lasted. In the meantime the Treasury would have to face the heavy demands for money incidental to our non-intervention policy in Spain.

THE SECRETARY OF STATE FOR FOREIGN AFFAIRS observed that assuming that Count Ciano reacted badly to the new proposals and that in the result the Spanish situation remained substantially as it was at present, we might then try to persuade Count Ciano to agree to a token withdrawal of volunteers, say 1000 from each side. In this event could we contemplate taking action at Geneva on the lines which the Chancellor of the Exchequer had suggested?

THE PRIME MINISTER thought that we could certainly to-day contemplate proceeding at Geneva on May 9th on the basis indicated by the Secretary of

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[14] Note in original: The Lord Chancellor and Sir M. P. A. Hankey left the Meeting at this point to attend a Meeting of the Privy Council at Buckingham Palace.

State for Foreign Affairs subject, however, to this reservation, that if in the interval there was some material alteration of the situation, the whole matter would have to be re-examined. It was very important that we should not make a proposal at Geneva which was either rejected or which we had to withdraw. In short we must not run any risk of being snubbed at Geneva.

THE SECRETARY OF STATE FOR FOREIGN AFFAIRS drew attention to paragraphs 21–25 of F.P.(36)55. Certain Powers represented at the Council of the League, including Russia and China, might be expected to object to the recognition of the Italian position in Abyssinia.

THE SECRETARY OF STATE FOR DOMINION AFFAIRS added that New Zealand might also be expected to raise difficulties.

THE SECRETARY OF STATE FOR FOREIGN AFFAIRS, continuing, said that the suggestion was that if it was found impossible to persuade the Council to pass a formal Resolution giving liberty of action, it might be possible to ensure that the discussion at Geneva covered individual Declarations by the various Members of the Council and that, fortified by such Declarations, we should obtain a free hand.

THE CHANCELLOR OF THE EXCHEQUER thought that whether it was possible to contemplate this procedure at Geneva on May 9th very much depended on the progress that might be made in the interval.

THE SECRETARY OF STATE FOR DOMINION AFFAIRS thought that in view of the terms of the Prime Minister's statement a dangerous situation would arise if any ground was given for the suggestion that the Government was a dishonest Government which had departed from its pledges in this important matter. While every effort should be made to find some solution, he hoped that the solution would not be based on any compromise which would persuade the public that the Prime Minister's words could not be relied upon. This would be a fatal blow to the National Government and to the Prime Minister's authority and influence.

THE PRESIDENT OF THE BOARD OF TRADE observed that what the man in the street was interested in was the Spanish question and in particular the reduction of the foreign volunteers in Spain.

The Committee agreed:

(1) To invite the Secretary of State for Foreign Affairs, in consultation with Lord Plymouth to arrange for the preparation of instructions regarding the Spanish question to Lord Perth on the lines discussed at the meeting, having regard in particular to the observations of the Prime Minister summarised on pages 7, 8 and 15 of these conclusions.

(2) That the instructions to Lord Perth should be submitted and approved by the Prime Minister before despatch.

(3) That Lord Perth should be requested to report Count Ciano's reactions after Lord Perth had discussed the Spanish question with him in the light of these instructions.

(4) To approve in principle conclusions (1) & (2) of paragraph 26 of F.P.36(55) and to take note in connection with conclusion (2) that the

Secretary of State for Foreign Affairs proposes to invite French Ministers to visit London for discussion of this and other questions as soon as circumstances will permit.

(5) That no decision should be taken at present on conclusions (3) & (4) of paragraph 26 of F.P.36(55).

No. 631

The Earl of Perth (Rome) to Viscount Halifax (Received March 19, 9.30 a.m.)

No. 180 Telegraphic [*R 2918/23/22*]

Immediate ROME, *March 19, 1938, 7.10 a.m.*

My immediately preceding telegram.[1]

I feel that Count Ciano is most anxious that agreement should be signed, sealed and delivered at the earliest possible moment. I suspect that he strongly desires that this should happen before Herr Hitler's visit to Rome probably in order that he may be in a better position to resist further pressure from the latter. He is also nervous about certain activities which he thinks may be endeavouring to wreck any agreement.

I gather that his personal position has been considerably shaken by events in Austria since he has been the chief protagonist of Italian-German axis. If this is so he is probably right in estimating that conclusion of an early agreement between Italy and Great Britain will be popular here and help him to recover ground which he has undoubtedly lost. None the less in all fairness to him I should like to record my belief that in this particular case the personal factor counts less with him than the political one.

Repeated to Paris.

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[1] Lord Perth's telegrams Nos. 178 and 179 of March 19 recorded his fourth conversation with Count Ciano concerning the negotiations for an Anglo-Italian agreement. The first telegram surveyed somewhat inconclusively the progress made in all the topics of discussion except 'Spain and recognition', which were dealt with in the second. See paragraphs 16–19 in No. 662 below.

No. 632

Letter from Sir O. Sargent to the Earl of Perth (Rome)

[*R 2336/23/22*]

FOREIGN OFFICE, *March 21, 1938*

My dear Perth,

I enclose a memorandum which the French Ambassador left with the Secretary of State on 10th March, dealing with Anglo-Italian conversations.[1]

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[1] Not printed. The substance of the memorandum is published in *D.D.F.*, *op. cit.*, No. 340.

A copy of this note should have been sent to you by the last bag but it required a certain amount of consideration and in the meantime events in Central Europe temporarily overclouded the Anglo-Italian conversations.

I do not think that this communication requires very much comment. Our instructions to you, coupled with our telegram No. 55[2] to Paris which was repeated to you, cover most of the ground. There is, however, one point of considerable importance, and one or two of less significance.

The section (No. 6) dealing with Central Europe is now, of course, rather out of date. But the French may still be expecting us to obtain some undertaking or assurance regarding Italian policy with a view to avoiding a repetition in the case of Czechoslovakia of what has already happened in Austria.[3] I think we are all agreed that such a course would be highly impolitic and would not yield us the results which the French hope for. On the contrary, it seems quite certain that we should only be snubbed for our pains and that we should lose ground both in Rome and Berlin as a result of any initiative we might take in this direction.

As regards section 3, paragraph 1, we feel bound to draw your attention to the French point that Italy must not be allowed to install or maintain herself 'in naval bases off the coast of Spanish Morocco'. We understand that there has been no recent suggestion that she is attempting to do so and as we propose ourselves to be content with a re-affirmation of the January declaration and exchange of notes[4] and still hope to obtain French accession to parts of the declaration no action seems called for on our part except to draw your attention to the point.

As regards Syria (section 9 of the French memorandum), we have just received your telegram No. 178[5] of which paragraph 8 deals with this subject. We hope on this point you will keep your French colleague closely informed.

Yours,
O. G. SARGENT

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[2] No. 626.

[3] This section of the memorandum contains the following passage: 'Le gouvernement de la République croit devoir attirer l'attention du gouvernement britannique sur l'intérêt essentiel, à ses yeux, qui s'attache à voir l'Italie, au cours des négotiations, amenée à prendre position en quelque manière à l'égard du problème continental européen . . .'

[4] See Volume XVII, No. 530.

[5] Not printed: see No. 662 below, paras. 62–66.

No. 633

Viscount Halifax to The Earl of Perth (Rome)

No. 128 Telegraphic [*R 3102/23/22*]

FOREIGN OFFICE, *March 23, 1938, 6 p.m.*

Following is summary of despatch which goes to you by next bag.[1]

In the course of a conversation on March 22nd, the Italian Ambassador informed me that he had been much encouraged by the feeling in Rome regarding the prospect of friendly relations being resumed with this country. After assuring His Excellency that the feelings of His Majesty's Government were the same, I drew his attention to the dilemma as regards the connexion of the Spanish question with the conversations and gave him the substance of my telegram No. 120,[2] explaining that we had thought it right to place all our cards on the table before Count Ciano so that he might be completely seized of the difficulties confronting us. I told the Ambassador that we had at one time thought of suggesting mediation, but that, in present circumstances, we doubted whether this would be of any great utility. On the other side we recognised not less clearly the difficulties of the Italian Government vis-à-vis General Franco and it had never been in our thought that it would be reasonable to expect the Italian Government to affect a unilateral withdrawal from Spain.[3]

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[1] No. 455 of March 22, not printed.

I explained that the delay in the arrangements for withdrawal from Spain and consequently in the liquidation of the Spanish problem was no doubt unexpected and disappointing to us both, but I hoped that the Italian Government would not regard any unavoidable delay too tragically. Count Grandi said that he perfectly appreciated this position and so would his Government. They realised we could not liberate ourselves from the pledges we had given, but the feeling of confidence on the Italian side would now he thought be strong enough to resist any inevitable delay in the actual conclusion of our agreement.

With reference to Abyssinia, His Excellency said that Signor Mussolini entirely understood the necessity of our going to the League and recognised the difficulty which this involved for us in point of time.

I then said that so long as we appreciated one another's difficulties not much harm need be done, and Count Grandi significantly added that though we need not speak much of them, we should not have absent from our minds the great difficulties created for the Italian Government by the events of the last fortnight.

Finally, I emphasised the shock to British opinion and I thought of civilised opinion caused by the bombing of Barcelona,[4] and Count Grandi promised to say a further word on behalf of Your Excellency's representations on this subject.

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[2] Of March 19, not printed (W 3580/83/41).

[3] In reporting on this conversation to the Cabinet on March 23, Lord Halifax said that he had 'expressed his satisfaction with the assurances given to the Earl of Perth by Count Ciano, but had explained frankly that in present circumstances these would not be sufficient to reassure Parliament, having regard to recent events in Spain. He had added that His Majesty's Government quite understood the difficulties of the Italian Government. In all the circumstances the only thing to be done for the present was for the two Governments to trust one another and make the best of the situation. The Ambassador had concurred and had replied that Signor Mussolini had great confidence in the Prime Minister. The Foreign Secretary had in the course of the conversation mentioned the bombing of Barcelona and Count Grandi had promised to report his observations to Rome and see what could be done to obtain a cessation of this bombing of civilians . . .' (Cab. Conclusions, 16(38)).

[4] Having already suffered air bombardment by Nationalist forces in January 1938, Barcelona was heavily bombed by the Italians from March 16 to 18 in a series of seventeen raids which killed about 1300 people and injured 2000: see Hugh Thomas, *The Spanish Civil War* (Third Edition, 1977), pp. 806–8. Cf. also *Ciano's Diary, op. cit.*, pp. 91–2.

No. 634

Letter from the Earl of Perth (Rome) to Sir O. Sargent

[*R 3431/23/22*]

ROME, *March 24, 1938*

My dear Sargent,

Many thanks for your letter (R 2336/23/22) of March 21st, enclosing a memorandum which the French Ambassador left with the Secretary of State on March 10th, dealing with Anglo-Italian conversations.[1]

I fully agree with your comments and it would be otiose on my part to develop them. As you know, Ciano has given me categorical assurances about the ultimate withdrawal of all Italian troops, aviators, etc., once Franco's victory is assured (see my telegram No. 158[2] of March 15th). I do not see therefore that there is anything more I can do on the point raised in section 3 of (1); though I shall continue to be on the look out. The reaffirmation of the January declarations and the exchange of notes[3] formally cover the whole question.

French accession to parts of the 1937 declaration is, I fear, going to present a terrible snag. Mussolini won't hear of the French being linked up even indirectly with the conversations and it looks to me as if he may be immovable on this particular point.

I may perhaps use the argument that it would be an admirable thing to get the French tied up on the status quo in the Mediterranean as it would eliminate all future possibilities of French acceptance of any future Catalonian request for absorption in France—a story which is being put about in the press here—but even this argument will, I fear, carry little weight'.[4]

Lastly, Syria. Here the same considerations apply though as you will have seen from my telegram No. 190[5] of yesterday Ciano is ready to give me verbal assurances on the subject.

I will see my French colleague as soon as I can and tell him generally what passed between Ciano and myself on the last subject.[6]

Yours ever,
PERTH

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[1] No. 632.

[2] Not printed' cf. No. 662 below, paras. 18, 19.

[3] See Volume XVII, No. 530.

[4] Lord Perth referred again to the subject of this and the preceding paragraph in his telegram No. 204 of March 25, with the comment: 'I should be grateful therefore if you found it possible to indicate to me for my personal information whether you regard Italian acquiescence on this point as a sine qua non for conclusion of an agreement.'

[5] Not printed: see No. 662 below, paras. 62–65.

[6] A marginal note by Lord Perth here read: 'I have done this. P. 25.3.38.'

No. 635

Viscount Halifax to the Earl of Perth (Rome)

No. 138 Telegraphic [*R 2919/23/22*]

Important FOREIGN OFFICE, *March 25, 1938, 5.20 p.m.*

Your telegram No. 179.[1]

Recognition of Italian sovereignty over Ethiopia.

Count Ciano's second formula would, if adopted, suggest that His Majesty's Government recognised Italian sovereignty over Ethiopia before the question was referred to the League of Nations at all and at Geneva merely exerted themselves to remove obstacles in the way of *other* States according recognition. Such a formula cannot be accepted by His Majesty's Government, who are committed in Parliament to the attitude that the question of recognition concerns not His Majesty's Government alone but also the League.

Above argument applies all the more strongly in view of Count Ciano's evident idea that formula should be published. This was never our intention and I cannot find that anything you said to Count Ciano warrants such a supposition on his part. What we contemplated was the giving of an 'undertaking, when the conversations began, that if agreement were reached on all the outstanding questions between His Majesty's Government and Italy, His Majesty's Government will at the earliest opportune moment take steps at Geneva with a view to removing the existing obstacles in the way of the recognition of Italian sovereignty over Ethiopia' (my despatch No. 297[2] and paragraph 16 of your despatch No. 249).[3]

You should make our attitude plain to Count Ciano with regard both to his proposed formula and to his evident desire to publish it. To this we should feel bound to demur.

But in any case the point does not seem one of any great importance inasmuch as if conversations are proceeding satisfactorily, we should propose to give requisite notice to Secretary-General on April 9th for the inclusion of the subject in the Council Agenda. Above is for your own information since we cannot pledge ourselves to this procedure at the moment without Cabinet approval which is being sought early next week.[4]

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[1] Cf. No. 631, note 1. This telegram recorded a portion of the conversation of March 18, in which Count Ciano turned to the question of recognition, and suggested to Lord Perth that there were 'two courses open about agreement (a) that we should conclude a settlement of outstanding questions and put the whole thing into cold storage until after meeting at Geneva: (b) that we should finish our work as quickly as possible and sign, seal and deliver agreement immediately this had been done. Personally he preferred second alternative . . .'

[2] No. 620.

[3] No. 627.

[4] See No. 642 below.

No. 636

The Earl of Perth (Rome) to Viscount Halifax (Received March 26, 9.30 a.m.)

No. 207 Telegraphic [*R 3284/23/22*]

ROME, *March 25, 1938, 11.20 p.m.*

The newspapers give a very full summary of the Prime Minister's speech[1] quoting several passages verbatim. Messages from London emphasize absence of any opposing vote and some correspondents dismiss the rest of the debate very briefly, but others give a good deal of space to the leader of the opposition, Mr. Churchill and Sir J. Simon. All are agreed that Prime Minister has gained a great victory. *Messag[g]ero* and *Lavoro Fascista* correspondent speaks of 'clear straightforward courageous and consistent declarations of the Prime Minister'. Correspondent of *Popolo di Roma* confines himself to reporting great success of speech and to saying that Mr. Churchill 'Has been good'. *Tribuna* correspondent says courageous speech which contained warnings for Paris and Moscow as well as for Berlin had consolidated the Prime Minister's position.

There are no editorial comments so far, but head lines occasionally express an opinion. Catholic *Avvenire d'Italia* heads the speech 'A good day for Europe'.

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[1] Mr. Chamberlain opened the debate on foreign affairs and rearmament in the House of Commons on March 24 with a broad survey of British foreign policy: see 333 *H.C. Deb. 5 s.*, cols. 1399–1413. Referring to the Anglo-Italian negotiations, he praised the Italians for their willingness to agree to the British plan for the withdrawal of volunteers from Spain, and stated that His Majesty's Government were satisfied that the Italians had been loyally sticking to the non-intervention agreement during the period of the conversations. An extract from the speech dealing with Germany and Czechoslovakia is printed in Third Series, Volume I, No. 114.

No. 637

Memorandum[1] by Lord Halifax on the procedure for dealing with the question of the recognition of the Italian position in relation to Ethiopia

[*R 3405/23/22*]

Secret FOREIGN OFFICE, *March 25, 1938*

The Prime Minister, speaking in the House of Commons on February 21st[2] on a possible Anglo-Italian Agreement, said that 'We were loyal Members of the League, and that if we come to an agreement, we should desire to obtain the approval of the League for it.' Speaking in the House of Lords on February 24th on the question of the recognition of the Italian position in

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[1] Circulated to the Cabinet Committee on Foreign Policy as F.P.(36)60. This memorandum was drawn up by Mr. R. C. S. Stevenson after consultation with Lord Halifax, Mr. Butler, Sir A. Cadogan, Lord Plymouth, Sir W. Malkin, and Mr. Ingram on March 25. See No. 642 below.

[2] See No. 576, note 1.

Ethiopia, I said, 'Your Lordships know that we have told the Italian Government that this is a matter that must be, if general agreement is reached, subject to the consent of the League because that has always been a League matter and not an Italo-British affair, and provided the consent of the League were obtained, we should be willing to consider the recognition of the fact of the Italian conquest of Abyssinia as part, but only as part, of a general settlement on all the matters at issue between us.'[3]

2. It is suggested that these undertakings should be regarded as having been fulfilled if, at the next meeting of the Council of the League, we seek to obtain from the League some pronouncement which would have the effect of freeing the hands of those Members of the League who have hitherto refrained, out of loyalty to the League, from recognising Italy's position in relation to Ethiopia. Such an interpretation of these undertakings should be readily defensible as it is clear that the recognition question is the only one arising in the Anglo-Italian conversations for which League approval could possibly be necessary. We might however at some opportune moment during the forthcoming session of the Council inform the latter of the outcome of our negotiations with Italy, stressing the great contribution which this represents to the appeasement of international relations. It should not be difficult to arrange that other States represented on the Council should express their satisfaction. There will thus be on record some expression of approval by other Members of the League of our action.

3. Assuming that this interpretation of the undertakings given to Parliament is approved by my colleagues, certain points arise for decision.

4. In the first place, there is the point whether we are debarred from taking any step towards recognition of the Italian position in Ethiopia before a settlement of the Spanish question has been reached. On this point I would suggest that I should be authorised to inform Count Ciano that, provided all goes well, I propose to put the question of the recognition of the Italian position in Ethiopia on the agenda of the forthcoming meeting of the Council. I should explain in this connexion (a) that under League procedure a month's notice must be given to the Secretary-General for the inclusion of any item on the agenda of the Council which means that a communication must be sent to him on or about April 9th, and (b) that action at Geneva does not mean that His Majesty's Government thereby accord recognition, but merely that their hands thereafter will be free in the matter (in this connexion see also paragraph 9 below).

5. Secondly, there is the question of preparing the way for the raising of the matter at Geneva. Before actually sending the formal notice to the Secretary-General, it will be necessary to consult the French Government and inform the Governments of the Dominions. I would propose to do so on the lines of the attached draft telegrams (Annexes I[4] and II[5]).

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[3] See 107 *H.L. Deb.* 5 *s.*, col. 942.

[4] Not printed. The text was the same as that of No. 641 below.

[5] Not printed. This draft telegram to the Dominion Governments was substantially the same as paragraphs 2 and 3 of No. 641 below.

6. Thirdly, I would propose, provided that no violent objection is raised by the French Government or by the Governments of the Dominions, to inform all the States represented on the Council of our intentions and ask for their support, or at any rate their acquiescence.

7. Fourthly, having given the requisite formal notice to the Secretary-General of the League to place the question on the agenda of the Council, I would propose to inform all other Members of the League and the United States of America of our action, and the reasons which have prompted it.

8. Fifthly, there is the question of procedure at Geneva. We should hope to be able to persuade the Council to adopt a resolution on the lines of Annex III to this paper.[6] If, as is conceivable, it should prove impossible to secure a satisfactory resolution, we would propose to initiate a discussion at the Council and encourage as many as possible of the other States represented thereon to support our views. We would take the line that it is time to clear up a chaotic state of affairs, and that it is unwise to continue to ignore a situation of fact and thus to prolong a period fraught with possibilities of international friction. We would conclude by making it clear that in our view the question of the recognition of Italy's position in relation to Ethiopia is one for each Member of the League to decide in the light of its own situation and obligations and that we hold ourselves free to act accordingly. We should regard this discussion with individual declarations by other States as in fact setting our hands free to recognise Italian sovereignty over Ethiopia when we are ready to do so. I wish in any case to emphasise the necessity of deciding now to go through with this matter at the next meeting of the Council, even if the latter is unwilling or unable to reach corporately what we should regard as a favourable decision on it. Otherwise it will mean a postponement of the coming into force of an Anglo-Italian agreement until at any rate after the League Assembly in September, with all the incalculable consequences that such a postponement would inevitably involve.

9. Sixthly, Count Ciano has proposed to Lord Perth that the Anglo-Italian Agreement shall be published as soon as it is concluded. I suggest that we should fall in with this proposal. It is our intention that the instruments constituting the Agreement should be covered by a protocol stating that 'the said instruments shall take effect on such date as the two Governments shall together determine'. This should imply that the Agreement will not come into force until the Italian Government, on their side, have received our recognition of their position in Ethiopia and until we, on our side, are satisfied that sufficient progress has been made in the settlement of the Spanish question.

10. Seventhly, if and when both Governments agree that the moment has

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[6] The draft resolution suggested was as follows: 'The Council. Noting that many Members of the League recognise that the Italian Government exercise sovereignty over Ethiopia or have taken action implying such recognition, but that other members of the League consider that the question of such recognition is a matter of concern to all members of the League, is of opinion that the position in regard to this matter should now be regularised and expresses the view that the question of the recognition of Italy's position in relation to Ethiopia is one for each member of the League to decide for itself in the light of its own situation and obligations.'

arrived to bring into force the Agreement, we should possibly consider whether to invite Count Ciano to come to London to sign an instrument to that effect. This should be as nearly as possible simultaneous with our act of recognition, which would consist of the presentation by Lord Perth of letters accrediting him to the King of Italy and Emperor of Ethiopia.

No. 638

The Earl of Perth (Rome) to Viscount Halifax (Received March 27, 8 p.m.)

No. 225 Telegraphic [*R 3305/23/22*]

Immediate ROME, *March 27, 1938, 7.35 p.m.*

My telegrams Nos. 223[1] and 216.[2]

4. Italian forces in Libya.

Minister for Foreign Affairs told me that Signor Mussolini had decided that there should be an immediate withdrawal of 1,000 men a week until by such reduction peace effectives had been reached. This meant that at the end of the withdrawal Italian forces in Libya would be reduced by at least half of their present strength. Italian Minister for Foreign Affairs told me that this information could immediately be made use of publicly by His Majesty's Government.

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[1] In this telegram of March 27 Lord Perth reported Count Ciano's replies to points he had raised concerning the Spanish question. Signor Mussolini had agreed to limit public references to the success of Italian intervention in Spain, and also agreed to make a public assurance that as soon as the Spanish civil war came to an end all Italian volunteers and war material would be withdrawn from Spain, although he 'made all reserves for war material ultimately sold or given to General Franco'.

[2] In this telegram of March 27 Lord Perth reported that as instructed he had told Count Ciano that Lord Halifax would regard as satisfactory a reduction by half of Italian forces in Libya, especially if a symbolic withdrawal of men were made before the conclusion of an Anglo-Italian agreement.

No. 639

Note by Mr. R. C. S. Stevenson for the Secretary of State bringing up to date Foreign Policy Committee Memorandum F.P.(36)60.[1]

[*R 3764/23/22*]

FOREIGN OFFICE, *March 28, 1938*

Signor Mussolini has accepted in principle our proposal for a covering protocol (see paragraph 9) in which it would be stated that the instruments composing the Anglo-Italian agreement should take effect on such date as the two governments shall together determine. He also agrees that no mention need be made in the protocol either of Spain or of the recognition of Italian sovereignty over Ethiopia (telegram No. 226 from Rome).[2]

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[1] No. 637.

On the other hand Count Ciano adheres rigidly to the contention that the publication of an Anglo-Italian agreement without some public mention of action on our part towards recognition would be inacceptable in view of Italian public opinion. He said that Signor Mussolini would accept a personal letter from Lord Perth (subject to its wording being satisfactory), to be published at the same time as the agreement, setting forth the undertaking of His Majesty's Government to take action at Geneva with a view to facilitating recognition.

If the Foreign Policy Committee agree with the procedure suggested in F.P.(36)60, it will be possible to authorise Lord Perth to inform Count Ciano of our intention on April 9th to put the question of the recognition of the Italian position in Ethiopia on the Council agenda. Lord Perth could be instructed to point out that this in fact publishes to the world our intention to take action at Geneva to facilitate eventual recognition by us of Italian sovereignty over Ethiopia. It is just possible that this will be regarded as sufficient from the Italian point of view, but it seems more likely that Signor Mussolini will demand in addition a letter from Lord Perth on the subject, to be published at the same time as the agreement.

If this proves to be the case there would not appear to be much harm in our agreeing that Lord Perth should write a suitably worded letter on the subject, as, by the time that such a letter would fall to be sent, we should have already published to the world our intention to raise the question of recognition at Geneva. Such a letter might draw attention to our action in placing the question on the Council agenda and might indicate in suitable terms the object with which we have done so.

[2] Not printed (R 3327/23/22).

No. 640

The Earl of Perth (Rome) to Viscount Halifax (Received March 30, 9.30 a.m.)

No. 250 Telegraphic [*R 3430/23/22*]

ROME, *March 29, 1938, 12 midnight*

Protocol.

Your telegram No. 146.[1]

I had a further conversation with Italian Minister for Foreign Affairs this evening and began by saying that my Government fully agreed with his suggestion that we should work for signature of protocol not later than April 15th and that we would do our best to cooperate to this end. Count Ciano replied that he was grateful. He thought we were making such rapid progress that it might be possible to sign even earlier than he had anticipated. He added that he accepted our text[2] (see my telegram No. 214).[3] His experts might suggest certain verbal alterations, but this was not likely.

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[1] This telegram of March 28 authorized Lord Perth to say that His Majesty's Government shared Count Ciano's views 'as to the desirability of concluding an agreement on or before April 15th'.

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[2] i.e. the text of the instrument (which Signor Mussolini preferred to describe as a 'protocol' and not a *procès-verbal*) that was to cover the various agreements and declarations making up the Anglo-Italian agreement: see No. 662 below, para. 10.

[3] Not printed.

No. 641

Viscount Halifax to Sir E. Phipps (Paris)

No. 63 Saving: Telegraphic [*R 3488/23/22*]

FOREIGN OFFICE, *March 29, 1938*

My despatch No. 393.[1]

French Ambassador made it clear on the 25th February[2] that it would be embarrassing for French Government to be placed in a position where they would find themselves obliged to follow us in action at the League regarding Ethiopia to the prejudice of their own direct interests. I assured him that we would have this consideration constantly in mind.

Please inform French Government that we intend to ask the Secretary-General of the League, on or before the 9th April, to place the question of the recognition of the Italian position in Ethiopia on the agenda of the next Council meeting opening on the 9th May. Our idea is to try to persuade the Council to agree that the time has come to clear up the anomalous situation brought about by the fact that many members of the League have taken action amounting to formal recognition that the Italian Government exercise sovereignty over Ethiopia while other members have hitherto refrained from doing so as they consider that the question of such recognition is a matter of concern to the League. It is hoped, in these circumstances, that it will be possible to bring the Council to adopt a resolution to the effect that the question of Italy's relation to Ethiopia is one for each member of the League to decide in the light of its own situation and obligations.

No fewer than five States represented on the Council have already taken action amounting to formal recognition of Italian sovereignty over Ethiopia, but it is realised that opposition to any proposal to regularise the situation may be encountered from certain other States. It would be with a view to rendering the position easier for these latter that the proposal might be framed as suggested in the preceding paragraph.

Please make it plain to the French Government that the above-mentioned action would not of itself commit either us or the French Government to actual recognition but would be in the nature of a preparatory step and purely permissive.

We propose in the near future to acquaint the other States represented on the Council with our intentions in this matter, but, before doing so, we would be glad to be informed of the view of the French Government and, if they are in general agreement, whether they would be prepared to associate themselves with us by supporting a resolution in the sense suggested.

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[1] Of February 25, not printed (R 1862/94/67).

[2] Cf. No. 593.

I should be glad of a reply as soon as possible.[3]

[3] This telegram was despatched as a result of the meeting of the Foreign Policy Committee at 11.30 a.m. on March 29: see No. 642 below.

No. 642

Conclusions of the twenty-eighth meeting of the Cabinet Committee on Foreign Policy held at 10, Downing Street, S.W.1, on Tuesday, March 29, 1938 at 11.30 a.m.

[*R 3404/23/22*]

Secret 2, WHITEHALL GARDENS, S.W.1, *March 29, 1938*

With reference to F.P.(36)27th Conclusions Minute 3, the Committee had before them a Note by the Secretary of State for Foreign Affairs (Paper F.P.(36)60) covering a Memorandum on the procedure for dealing with the question of the recognition of the Italian position in relation to Abyssinia.[1]

THE SECRETARY OF STATE FOR FOREIGN AFFAIRS[2] said that the Memorandum before the Committee represented an attempt to indicate in a brief and concrete form the action which might be contemplated on the assumptions that the Anglo-Italian conversations continue to proceed satisfactorily and that it was not our desire that the work of Lord Perth and Count Ciano should be put into cold storage until the meeting of the Council of the League in September next.

The first step to be taken was indicated in paragraph 4 of the Memorandum, namely, that he (the Secretary of State) should be authorised to inform Count Ciano that provided all went well he proposed to put the question of the recognition of the Italian position in Ethiopia on the agenda of the forthcoming meeting of the Council. In order that the requisite month's notice should be complied with it would be necessary that this item should be notified to Geneva not later than the 9th April next. It would also be made clear to Count Ciano that this action did not mean that His Majesty's Government thereby accorded recognition, but merely that we favoured a 'liberating resolution' which would free the hands of ourselves and other Members of the League.

Paragraphs 5, 6, and 7 of the memorandum were concerned with the steps to be taken to inform the Governments of France, of the Dominions, of other Members of the League and of the United States of what it was proposed to do, while paragraph 8 outlined the procedure to be adopted at Geneva where

[1] See No. 637.

[2] Lord Halifax.

it was hoped that the Council could be persuaded to adopt a resolution on the lines of that set out in Annex III to F.P.(36)60.[3]

As would be observed (paragraph 9) Count Ciano had proposed to Lord Perth that the Anglo-Italian Agreement should be published as soon as it was concluded, and he (Lord Halifax) suggested that we should fall in with this proposal. The Italians were most anxious that the Agreement should be published at least a week before Herr Hitler's visit to Rome which was to begin on April 15th, and he had agreed that the Protocol covering the Agreement should state that 'the said Instruments shall take effect on such date as the two Governments shall together determine'. By implication this meant that the agreement would not become effective until we had recognised Italy's conquest of Abyssinia and had been satisfied in regard to the progress of the settlement of the Spanish question.

Since the Memorandum had been circulated further conversations had taken place between Lord Perth and Count Ciano which did not materially affect the position, so far as the matters under consideration were concerned, except that Signor Mussolini was now insisting that the questions of Spain and of the recognition of Italian sovereignty should be dealt with in letters to be exchanged between Lord Perth and Count Ciano, and that these letters should be published at the same time as the Anglo-Italian Agreement.[4] He (Lord Halifax) thought that if the Committee were generally favourable to the proposals contained in the memorandum there would be no objection to complying with Signor Mussolini's request relative to the exchange of letters.

In reply to enquiries, Lord Halifax stated that both the Italians and ourselves had agreed that the Anglo-Italian Agreement should be published, and also that that Agreement should contain no reference to the question of a settlement in Spain or to the question of the recognition of Italy's conquest of Abyssinia. It was true that at the outset Signor Mussolini had demanded that these two questions should be included in the Agreement, but this had been refused and ultimately it had been agreed to include in the Protocol the passage quoted above.

THE HOME SECRETARY[5] asked whether the alternative had been considered of our indicating to the League the substance of our proposed Resolution and then informing Signor Mussolini that we had done this.

THE SECRETARY OF STATE FOR FOREIGN AFFAIRS said that if the Committee agreed with the procedure outlined in the Memorandum he proposed to instruct Lord Perth to inform Count Ciano that it was our settled intention to put this question on the Agenda for the Meeting of the Council in May. It was just possible that this intimation would be regarded by Signor Mussolini as sufficient, but if he still insisted on his proposal for an exchange of letters it would then be open to us to state in Lord Perth's letter to Count Ciano what all the world would then know, namely, that we had placed the subject of the recognition of Italy's conquest of Abyssinia on the Agenda for the May Meeting of the Council. It was clear that Signor Mussolini was most anxious to make the most of the Anglo-Italian Agreement before Herr Hitler's arrival in Rome on April 15th, and from the Italian point of view the sooner the agreement could be published, the better. Adequate time must, however, be given for the consultation with France and the Dominions and the notification to the other Members of the League and to the United States of America, and it might be doubted whether all this could be done much before April 9th.

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[3] See No. 637, note 6.

[4] See No. 639.

[5] Sir S. Hoare.

The Secretary of State forDominion Affairs[6] said that the publication of the letters to be exchanged between Lord Perth and Count Ciano would give rise to questions in Parliament and outside as to whether the Prime Minister's pledges in regard to the settlement of the Spanish question had been altered. He thought that such questions could be satisfactorily met if Lord Perth's letter to Count Ciano could contain some reference to the Spanish settlement.

The Secretary of State for Foreign Affairs agreed that this might be desirable. Lord Perth's letter could say in effect that as would be seen we had carried out our undertaking to place the question of the recognition of Italy's conquest of Abyssinia on the Agenda for the May Meeting of the Council at Geneva, and that when the Spanish situation had been satisfactorily liquidated we proposed to proceed with the recognition of Italy's position in Abyssinia. While he, himself, saw no difficulty he would consult with Mr. Ingram on this aspect of the matter.

The Prime Minister favoured publication of the Agreement and the letters which might be exchanged between Lord Perth and Count Ciano with as little delay as practicable. He observed that in paragraph 7 it was proposed to inform the United States, after consultation had taken place between ourselves and the Government of France and of the Dominions. He would like to see the United States specially treated in this matter, and accordingly suggested that the United States should be notified of our intentions at the same time as France and the Dominions.

The Secretary of State for Foreign Affairs fully agreed with the Prime Minister. It was possible that on consulting France we should meet with violent opposition from her to our proposal. In the view of the Foreign Office any French opposition should be disregarded and we should proceed at Geneva just as though we had obtained France's full concurrence.

The Secretary of State for Dominion Affairs informed the Committee that the only Dominion which might be expected to react violently to the course which we proposed to take at Geneva was New Zealand, and unfortunately New Zealand was a Member of the Council of the League. He thought that it would be desirable that the communications to be sent to the Dominions should contain a full exposition of the reasons for our action, and in particular should emphasise that the recognition of Italian sovereignty was a part of a general settlement with Italy and the *quid pro quo* for certain Italian concessions of considerable value to us. Even if New Zealand or any other Dominion raised difficulties he would not advise any alteration in the proposed procedure and time table. It might be possible to persuade Mr. Jordan,[7] who would represent New Zealand at Geneva, to vote for a Resolution on the lines of Annex III.

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[6] Mr. M. MacDonald.

He doubted whether Mr. Jordan would go so far as to vote against such a Resolution, though he might abstain from voting. In any case he (the Secretary of State) would do his best to secure that Mr. Jordan refrained from any violent expressions of opinion when the Council had this question under consideration.

THE SECRETARY OF STATE FOR FOREIGN AFFAIRS enquired whether New Zealand was likely to be affected by the consideration that all the other Dominions took a different line.

THE SECRETARY OF STATE FOR DOMINION AFFAIRS thought that in itself this would have little, if any, influence with New Zealand. She would attach much greater importance to the views of the United Kingdom on a matter of this kind than to those of the other Dominions.

THE HOME SECRETARY thought that Mr. Jordan's action at Geneva might be influenced by how the Spanish question was handled.

THE LORD PRESIDENT OF THE COUNCIL[8] suggested that it would be as well in the communications to the Dominions to explain fully our attitude in regard to the settlement of the Spanish question and the connection of that question with the recognition of Italy's conquest of Abyssinia.

THE SECRETARY OF STATE FOR FOREIGN AFFAIRS said that he had been advised that the Resolution would require the unanimous vote of the Council. It was true that an ingenious method of avoiding the necessity for unanimity had been suggested, but there was, in fact, no precedent at Geneva for using this particular device. Accordingly if it was found impossible to secure unanimity it was proposed to fall back on the suggestion in paragraph 8 of the Memorandum, viz. that we should initiate a discussion at the Council and encourage as many as possible of the other States represented thereon to support our views and should regard this discussion with individual declarations by other States as in fact setting our hands free to recognise Italian sovereignty for Ethiopia.

THE CHANCELLOR OF THE EXCHEQUER[9] referred to the second sentence of paragraph 4 of the memorandum, and pointed out that it would be necessary for us to formulate somewhat precisely the question that we wished the Council of the League to consider. He assumed that we should propose as the item on the Agenda something on the lines of Annex III.

THE SECRETARY OF STATE FOR FOREIGN AFFAIRS agreed.

THE CHANCELLOR OF THE EXCHEQUER pointed out that we were not asking the Council of the League formally to approve of Italy's conquest of Abyssinia, but merely to free the hands of any Members of the League who might wish to regain their liberty of action.

THE PRESIDENT OF THE BOARD OF TRADE[10] thought that the second paragraph of the draft Resolution:

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[7] Mr. W. J. Jordan was the New Zealand representative on the League Council.

[8] Viscount Hailsham. [9] Sir J. Simon. [10] Mr. O. Stanley.

> 'is of opinion that the position in regard to this matter should now be regularised'

was unfortunately worded and he favoured its omission as unnecessary.

The Prime Minister thought that this passage referred to the present chaotic position under which the Members of the League were at sixes and sevens in the matter, some having recognised Italy's conquest and others having refused to recognise it.

The Secretary of State for Foreign Affairs said that it had been suggested to him that this passage should be omitted but those of his Advisers who knew Geneva well favoured its retention, at all events in the first instance, though we might offer at Geneva to omit it if by so doing we could secure a unanimous vote.

The Minister for Co-ordination of Defence[11] suggested the substitution of the word 'defined' for the word 'regularised' and The Secretary of State for Foreign Affairs agreed that 'defined' would perhaps be better.

The Chancellor of the Exchequer urged that the passage in question should be omitted. Some years ago at the time of the Manchuk[u]o incident, the League Assembly had passed a Resolution on 11th March, 1932,[12] which was of general application and not in terms coupled with the Manchuk[u]o question declaring 'that it is incumbent upon the Members of the League of Nations not to recognise any situation, treaty or agreement which may be brought about by means contrary to the Covenant of the League of Nations or to the Pact of Paris'. This question raised sentimental considerations, and while he thought that difficulty might be experienced in securing unanimity on the Council for an affirmative Resolution, he agreed that it would be very much easier to obtain an arrangement under which each State obtained liberty of action.

The Secretary of State for Foreign Affairs pointed out that we should obtain the reactions of the various Members of the League in the soundings which we should make before the Council met on May 9th. Soviet Russia and China might, for different reasons, be expected to raise difficulties, though it was true that on this question of Abyssinia M. Litvinov had shown himself a realist. Should it appear beforehand that unanimity on the Council could not be secured, we should not, of course, table our Resolution.

The Chancellor of the Exchequer observed that the notice on the Agenda Paper for the May Meeting of the Council would require very careful phrasing.

The Committee were reminded that in all some 16 Members of the League had recognised *de jure* the Italian sovereignty over Abyssinia. Of these, Belgium, Poland, Roumania, Latvia and Equador were represented on the Council.

The Prime Minister observed that the line we could take was to say that while we did not think that the action taken by these Powers was in itself wrong, it was wrong to have taken the action without the authority of the League.

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[11] Sir T. Inskip.

[12] See Volume X, No. 67.

The Secretary of State for Foreign Affairs thought that our attitude would be more clearly expressed if, in the fourth sentence of paragraph 8 of the Memorandum, the word 'anomalous' was substituted for the word 'chaotic'.

The Committee agreed:

(i) to approve the procedure for dealing with the question of the recognition of the Italian position in relation to Ethiopia contained in the memorandum attached to F.P.(36)60 and to authorise the Secretary of State for Foreign Affairs to proceed on the lines suggested in that Memorandum and in the light of the discussion at the Meeting.

(ii) to approve the suggestion of the Secretary of State for Dominion Affairs that the draft telegram to the Dominion Governments (Annex II of F.P.(36)60) should be expanded so as to give a more complete picture of the whole question and to take note that a redraft of the telegram on these lines was being prepared by the Foreign Office and Dominions Office in consultation.

2. The Chancellor of the Exchequer observed that the Committee had not as yet seen in a collected form the contents of the proposed Anglo-Italian Agreement.

The Secretary of State for Foreign Affairs said that it would be possible to circulate to the Cabinet a document showing the position to date of the various questions which had been discussed between Lord Perth and Count Ciano. The Italians had raised some difficulties with regard to the Palestine formula and also in regard to the question of the exchange of military information.

The Minister for Co-ordination of Defence said that he was somewhat anxious about the Italian attitude on this latter question. The Italians were claiming that we should disclose the maximum information to them but were only prepared to disclose the minimum to us.

The Secretary of State for Foreign Affairs said that the question was under expert examination. Signor Mussolini had made a satisfactory offer in regard to the withdrawal of troops from Libya and had proposed to announce this fact.[13] He had, however, urged that an announcement should be deferred until we were in a position to publish the whole Agreement.

The Committee agreed with the Secretary of State for Foreign Affairs on this matter.

The Secretary of State for the Colonies[14] read to the Committee extracts from Telegram No. 190[15] from Lord Perth, in regard to Syria. He deprecated this question being left in a vague and uncertain condition.

The Home Secretary hoped that we should not press the matter to the point of insisting that France should join in the Anglo-Italian conversations because if we did so he was quite satisfied that we should fail to make any agreement with Italy.

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[13] See No. 638.

[14] Mr. W. Ormsby Gore.

[15] See No. 634, note 5.

THE PRIME MINISTER thought that the best course would be for the Secretary of State for Foreign Affairs to defer circulating a Progress Report on the Anglo-Italian conversations until matters were somewhat more advanced than they were at present.

THE COMMITTEE agreed with this view.

No. 643

Viscount Halifax to the Earl of Perth (Rome)

No. 154 Telegraphic [*R 3404/23/22*]

FOREIGN OFFICE, *March 30, 1938, 11.30 p.m.*

My telegrams Nos. 138, last paragraph,[1] and 145.[2]

Cabinet have now approved procedure set forth in this and my immediately following telegram[3] for dealing with the question of recognition of Italian position in relation to Ethiopia.

You may now inform Count Ciano that, provided meanwhile all goes well with your negotiations, I propose to put the question of the recognition of Italian position in Ethiopia on the agenda of the Council; this means that a communication to that effect must be sent to the Secretary General on April 9th. I trust that this action will convince His Excellency that any mention of our intentions either as an annex to the protocol or in the form of an exchange of letters to be signed simultaneously with the protocol is unnecessary. His Excellency will realise that I shall have committed myself on April 9th to action at Geneva before even agreement may have been reached on the subjects at present being discussed between you, and that this commitment should go far to remove any suspicions he may have as to our ultimate intentions. You should therefore urge him strongly to drop all idea of any public exchange of letters at the time of signature regarding those intentions, which will already have been manifest to the world.

For your own information, I would be prepared in the last resort to consent to such an exchange of letters, but if Count Ciano insists on this question of recognition being embodied in a letter, I on my side should have to insist on mention being made in the same letter of a settlement of the Spanish question as a prerequisite of the entry into force of the agreement. If you find His Excellency adamant on the subject, you should refer to me for instructions, but you may hint that you feel confident that Italian insistence on including recognition in any such letter will be met by British insistence on including a settlement of the Spanish question in the same document.

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[1] No. 635.

[2] This telegram of March 28 referred to No. 635, and pointed out that if the programme referred to in the final paragraph of that telegram was approved, 'we shall probably have already implemented our assurance before signature of any agreement resulting from the present conversations. We shall have no objection to publication of such agreement in so far as it is embodied in our proposed *procès-verbal* and its annexes.'

[3] No. 644 below.

No. 644

Viscount Halifax to the Earl of Perth (Rome)

No. 155 Telegraphic [*R 3404/23/22*]

FOREIGN OFFICE, *March 30, 1938, 11.30 p.m.*

My immediately preceding telegram.[1]

For your own information the French Government are being informed of our intention to place question of recognition of Italian position in Ethiopia on the agenda of the next Council meeting[2] and I am enquiring their views though I do not propose to be deterred by anything they may say from the main lines of the action decided upon. I am also explaining the whole matter to Dominions Governments and to United States Government. Shortly before giving the requisite formal notice to the Secretary General of the League I propose to inform the other States represented on the Council and ask for their support for, or at any rate acquiescence in, a Council resolution on the subject. Simultaneously with the despatch of the formal notice to the Secretary General I propose to communicate with all other members of the League informing them of my action and the reasons which have prompted it.

[1] No. 643.

[2] See No. 641.

No. 645

Viscount Halifax to Sir R. Lindsay (Washington)

No. 214 Telegraphic [*R 3404/23/22*]

Very Confidential FOREIGN OFFICE, *March 30, 1938, 11.45 p.m.*

You should inform the Secretary of State in strictest confidence that the Anglo-Italian conversations are proceeding comparatively smoothly and that there is every chance that in the course of the next few weeks it will be possible to sign an agreement between the United Kingdom and Italy. In the present international situation we regard an agreement of the nature contemplated as a necessary step and indeed possibly the only early practicable step in the direction of general world appeasement. It is therefore essential that there should be as little delay as possible in giving effect to it once it is concluded.

The present intention is that the agreement, while containing no specific reference either to the question of withdrawal of volunteers from Spain or to recognition of the Italian conquest of Ethiopia, should include a provision that it would not come into effect until a date to be determined by the two Governments in consultation. Our intention would be that this date should not actually be determined until such time as we were satisfied that sufficient progress had been made in the settlement of the Spanish problem. Under this procedure the actual recognition on the part of His Majesty's Government in the United Kingdom of the new situation in Ethiopia (which would be effected by the presentation by His Majesty's Ambassador at Rome of a letter of credence from the King addressed to the King of Italy, Emperor of Ethiopia) would synchronise with the coming into effect of the agreement.

In order to eliminate chances of delay in bringing into effect any agreement which may be reached it is essential that our hands should be freed, so far as it is possible, by some action at Geneva. We therefore intend to ask the Secretary-General of the League on April 9th to place the question of the recognition of the Italian position in Ethiopia on the agenda of the next Council meeting opening on May 9th (one month's notice is necessary). Our idea is to put it to the Council that the time has come to clear up the anomalous situation brought about by the fact that many members of the League have taken action amounting to formal recognition that the Italian Government exercise sovereignty over Ethiopia while other members have hitherto refrained from doing so as they consider that the question of such recognition is a matter of concern to the League. It is hoped in these circumstances that the Council will be prepared to adopt a resolution to the effect that the question of Italy's relation to Ethiopia is one for each member of the League to decide in the light of its own situation and obligations.

No fewer than five States represented on the Council have already taken action amounting to formal recognition of Italian sovereignty over Ethiopia but it is realised that opposition to any proposal to regularise the situation may be encountered from certain other States. It would be with a view to rendering the position easier for these latter that the proposal might be framed as suggested in the preceding paragraph.

It will be appreciated that unless the opportunity afforded by the forthcoming Council is taken it is unlikely that any suitable occasion for bringing the matter before the League will present itself before the meeting of the League Assembly in September. We feel that to have our hands tied for so long a period and therefore to be unable to bring into effect any agreement which we may reach with Italy might well have most serious consequences to the cause of world peace.[1]

Repeated to Rome No. 157.

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[1] For the U.S. Government's reaction to the progress of the Anglo-Italian negotiations see *F.R.U.S.*, 1938, vol. I, pp. 133–148.

No. 646

Extract from Cabinet Conclusions No. 17(38) of March 30, 1938

[R 3578/23/22]

3. The Secretary of State for Foreign Affairs reported that the conversations with the Italian Government were going well. Nothing had been agreed to that went beyond the Cabinet instructions. Difficulties had arisen on the question of exchange of information, and the Foreign Office were discussing the matter with representatives of the Service Staffs that morning. It was

possible that he might have to come back to the Cabinet and ask for permission to omit the subject from the eventual agreement.

Coming to the time-table, the Foreign Secretary said that Signor Mussolini and Count Ciano were anxious to complete the Agreement and to publish it—even though it was not coming into immediate operation—before Herr Hitler's visit to Rome on April[1] 15th, in order that they might be able to show Hitler that they had other friends besides the Germans.

The matter had been discussed at the Cabinet Committee on Foreign Policy on the previous day[2] and it had been felt that His Majesty's Government ought not to object to this, provided that some arrangement could be made for explaining the position of the two pre-requisites to an agreement, namely, the Italian requisite of recognition of their position in Abyssinia and our insistence on a clearing-up of the Spanish difficulty. The Committee on Foreign Policy had agreed on the previous day that, as between raising the matter at the Council of the League on May 9th or September 9th, the former date was preferable. A number of States Members of the League, including five Members of the Council, had taken action amounting to formal recognition of Italian sovereignty over Abyssinia, and a formula had been agreed upon under which we and other nations similarly situated would obtain freedom to decide the matter in the light of our own situation and obligations. We should then be in a position to take advantage of this liberty of action as soon as the situation in Spain permitted. Arrangements had been made to communicate with France and other countries that were Members of the Council of the League as well as with the Dominions on the subject. This was the only alternative to putting the Italian Agreement into 'cold storage' pending the clearing-up of the issues relating to Abyssinia and Spain and that course was open to grave objections including the danger of losing the Agreement. Under the arrangements contemplated by the Committee on Foreign Policy, provision would be made for the Agreement to come into operation at some stage to be agreed between the two governments.

The Cabinet approved the above proposal.

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[1] A marginal note suggested that this should read 'May'.

[2] See No. 642.

No. 647

The Earl of Perth (Rome) to Viscount Halifax (Received March 31, 3 p.m.)

No. 274 Telegraphic: by telephone [*R 3496/23/22*]

Most Immediate ROME, *March 31, 1938*

Your telegram No. 154.[1]

I am grateful for the information about decision of the Cabinet regarding the recognition of the Italian position in relation to Ethiopia. Our proposed action at Geneva will of course greatly reassure the Minister for Foreign Affairs but I think that he is likely still to insist on exchange of Notes or letters about recognition—these notes or letters to be published simultaneously with the main agreement. He seemed to attach such value to securing this that he would not in my view object to our letter containing a sentence to the effect that I must remind him that His Majesty's Government, as they have stated repeatedly, regard a settlement of the Spanish question as a prerequisite of entry into force of the Agreement.

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[1] No. 643.

2. You will no doubt remember that in return for exchange of notes or letters about recognition Count Ciano is prepared also to exchange notes or letters reaffirming Italian pledge about executing the engagements taken by non-intervention Committee (my telegram No. 179)[2] and I think that on his part he would add the assurance about all Italian volunteers leaving Spain and war material being withdrawn once the Spanish Civil War is over (my telegram No. 264).[3] He has linked up the questions of Spain and recognition and if we are not prepared to meet him about the recognition he will probably refuse to give us any written assurances about Spain.

3. I submit for your consideration whether in such circumstances the balance of advantage does not lie with an exchange of notes or letters separately on both subjects.

4. I should be grateful for an early reply to this telegram.

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[2] See No. 635, note 1.

[3] Not printed: cf. No. 638, note 1.

No. 648

Viscount Halifax to the Earl of Perth (Rome)

No. 174 Telegraphic [*R 3496/23/22*]

Most Immediate FOREIGN OFFICE, *April 1, 1938, 11 a.m.*

Your telegram No. 274.[1]

I have duly considered your arguments and you may inform Count Ciano that I consent to an exchange of letters between you linking up His Majesty's Government's proposals on the question of recognition and the Italian assurances regarding Spain. The text of these letters is contained in my two following telegrams.[2]

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[1] No. 647.

[2] Not printed. The texts were substantially the same as in No. 662 below.

No. 649

The Earl of Perth (Rome) to Viscount Halifax (Received April 3, 10 a.m.)

No. 291 Telegraphic [*R 3574/23/22*]

Immediate ROME, *April 2, 1938, 11.50 p.m.*

Your telegram No. 174.[1]

1. Spain and 11A[2] recognition.

I went to see Minister for Foreign Affairs this evening as arranged and said to him that provided all went well with our conversations we proposed to put the question of recognition of Italian position in Ethiopia on the agenda of the Council meeting on May 9th. One month's notice being required we should thus make communication to this effect to the Secretary General of the League not later than April 9th. The fact that we were doing so would become public probably as soon as the Secretary General received our communication and thus the unilateral action which I had alluded to previously would have been taken.

2. Count Ciano was obviously delighted and said that this was very good news. He then enquired about exchange of letters. I told him that my Government were prepared to agree to an exchange of letters (a) about Spain and (b) about recognition, and I gave him two drafts of which the texts were contained in your telegrams Nos. 175 and 176.[3]

3. Italian Minister for Foreign Affairs read through the draft about 1. and said that he had no objection in principle. He must however raise objection on one point: the word 'economic' in the third assurance might lead to some difficulty. Every country had considerable economic aims in other countries i.e. to promote its own trade with that country. We had mines in Spain; Italy had certain factories. I said that I saw his point but he would remember that he had given me this pledge verbally and the Prime Minister had repeated it in the House of Commons (see your telegram No. 131).[4] He answered that he recognised that this was so but we were now dealing with a written document. I suggested subject to the approval of my government the formula should run as follows: 'The Italian Government has no territorial or political aims and does not seek a privileged economic position . . . etc.' Minister for Foreign Affairs said that he thought that this text would satisfy him.

4. He next read 2., the draft letter which I was to address to him regarding recognition of Italian sovereignty over Ethiopia and this he equally accepted in principle raising no objection to the text.

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[1] No. 648.

[2] '11a' refers to the number given to the recognition of the Italian position in Ethiopia on the agenda for the Anglo-Italian agreement: see No. 662 below, para. 7.

[3] See No. 648, note 2.

[4] Not printed (W 3909/83/41): cf. No. 636.

No. 650

Viscount Halifax to Sir E. Phipps (Paris)

No. 668 [*R 3579/23/22*]

FOREIGN OFFICE, *April 2, 1938*

Sir,

I asked the French Ambassador to come and see me this morning in order that I might have the opportunity of telling him the state of affairs in connexion with the Anglo-Italian conversations.

2. This I did, following very closely the attached aide-mémoire.[1] His Excellency told me that, as I knew, the French Government had been well disposed to our conversations but somewhat sceptical about their issue. He gave me the impression that he was rather favourably surprised at the degree of achievement that they contained and did not seem to think it impossible that the French Government should feel prepared to try and do the same.

I am, etc.,

HALIFAX

[1] Not printed. M. Corbin gave a full account of the contents of the aide-mémoire in his report of the conversation: see *D.D.F.*, Series II, vol. ix, No. 103.

No. 651

The Earl of Perth (Rome) to Viscount Halifax (Received April 3, 10 a.m.)

No. 292 Telegraphic [*R 3591/23/22*]

ROME, *April 3, 1938, 1 a.m.*

My immediately preceding telegram.[1]

Your telegram No. 177.[2]

3. Extension of the Mediterranean declaration.

I remarked to Count Ciano that I now came to a different and perhaps more difficult question, namely the extension of status quo position of the Mediterranean declaration to other Mediterranean Powers. In deference to the wishes which he and Signor Mussolini had expressed (my telegram No. 117)[3] we were prepared to drop the idea that Mediterranean Powers generally should adhere even in an indirect form to the declaration but my Government felt strongly that we ought to enable France to state her willingness not to modify the status quo in the Mediterranean and, if she did so, that we should apply to France the same relations as applied in this respect between our two Governments. There was no idea I said of France signing any part of the present Anglo-Italian Agreement but if as I hoped I could persuade him to accept the proposal it would obviously be much easier to present Agreement as a measure of general European appeasement. Further the Italian and British Governments had bound themselves as regards status quo. France was not so bound. Was it not desirable from every point of view that she should equally undertake an engagement of this kind? I then gave him text indicated in your telegram under reference.

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[1] No. 649.

[2] This telegram of April 2 rejected a formula suggested by Count Ciano on March 29 for the reaffirmation of the Mediterranean Agreement of January 2 1937: cf. No. 653 below.

[3] This telegram of March 9 gave the telegraphic version of Lord Perth's interview with Count Ciano on March 8: see No. 627.

2. I realized from Count Ciano's attitude while I was talking that no argument of mine was likely to be of any avail and he replied that he regretted that it was quite impossible for Italian Government to agree to my proposal. This, he feared, I must take as a definite answer. He knew exactly Signor Mussolini's views on the subject. Once however the Spanish question was out of the way and the time was favourable there was no reason why Italy and France, and France and ourselves should not conclude bilateral pacts in the sense I had suggested. He again repeated that there was no issue at all between Italy and France. But I would surely realize that any such tripartite arrangement—(France would he remarked make declaration at once and French press would assuredly represent it as a tripartite Mediterranean pact)—could not but look as if it was directed against Germany. I must remember the Italian position towards Germany. It was on account of this that Signor Mussolini could never agree to such a proposal as that which I had put forward. I again endeavoured to persuade him to change his mind by asking him whether he had seen a story that Catalonia was likely to opt for union with France. The theory of self-determination was very much in foreground today. If France however had already made a declaration of her desire to preserve the status quo in the Mediterranean any such possibility would be ruled out. Nothing however that I could say moved Count Ciano from his original standpoint and I could only finally tell him that I would inform my Government of his decision which I naturally much regretted.

No. 652

Viscount Halifax to the Earl of Perth (Rome)

No. 194 Telegraphic [*R 3681/23/22*]

Important FOREIGN OFFICE, *April 6, 1938, 5.14 p.m.*

You will probably have seen that considerable amount of detailed information concerning Anglo-Italian conversations has appeared in British press, originating in yesterday's *Evening Standard.*

In view of hope expressed by Italian Government (see your telegram No. 122)[1] that at the present stage official publicity should be limited to a minimum, I wish you to understand that this information was not given out from any British Government quarter, and you may, if you think necessary, give Italian Government assurance to this effect.

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[1] See No. 627, note 10.

It is commonly understood here that *Evening Standard* obtained the news through Monsieur Polickoff [Poliakoff][2] to whom, it is said, Signor Mussolini has directed that full information should be given with, apparently, a free hand to publish it. I leave it to you to decide whether or not to let Italian Government know that that is the belief here.[3]

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[2] Former Diplomatic Correspondent of *The Times*.

[3] A memorandum on this question of April 6 by Mr. Ingram remarked that in detail the *Evening Standard* account 'was in almost every instance just wrong, but the general picture conveyed was undoubtedly correct', although 'as things stand to-day, the details of only some four formulae are actually agreed word for word between us and the Italians'. He also remarked that it 'has all along been our policy not to divulge the plums of the agreement but to reserve them for parliamentary use when the eventual agreement is signed'.

No. 653

Viscount Halifax to the Earl of Perth (Rome)

No. 195 Telegraphic [*R 3591/23/22*]

FOREIGN OFFICE, *April 6, 1938, 9.45 p.m.*

Your telegram No. 292.[1]

You may inform the Italian Minister for Foreign Affairs that in deference to his wishes I will no longer press for French accession to the Mediterranean Agreement.

As stated, however, in my telegram No. 177,[2] I find difficulty in accepting Count Ciano's formula (see your telegram No. 251)[3] for the following reasons: (a) that since it will form an annex to the main Protocol it is better that it should refer to the Declaration by its technical name as opposed to its popular appellation, and (b) that the phrase 'constitute for all purposes an integral part of the present Protocol' really adds nothing and might suggest that the reaffirmation now proposed is on a different footing from the other declarations etc. which will form annexes to the Protocol.

You should therefore urge His Excellency to accept the text contained in my immediately following telegram[4] in reaffirmation of the Agreement.[5]

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[1] No. 651.

[2] See *ibid.*, note 2.

[3] Not printed.

[4] Not printed: it was the same as the first paragraph of the text given in No. 662 below, para. 35.

[5] Lord Perth reported in telegram No. 343 of April 9 that Count Ciano had accepted the British text of the reaffirmation of the Mediterranean Agreement.

No. 654

The Earl of Perth (Rome) to Viscount Halifax (Received April 9, 9.30 a.m.)

No. 356 Telegraphic [*R 3792/23/22*]

ROME, *April 9, 1938, 3.45 a.m.*

My immediately preceding telegram[1] and my telegram No. 340.[2]

Date of signature.

I said to Count Ciano this evening[3] that in view of progress we had made this evening I thought that it might be possible to sign on Thursday April 14th. Count Ciano agreed. I said that if this took place Parliament would still be in session and my Government felt that it would therefore be highly desirable for statements to be made in both Houses giving the outlines of the agreement. Would he have any objection to this? Count Ciano clearly did not relish the idea and immediately suggested that signature should be postponed for a day or two. I then put forward Saturday April 16th which I said was Secretary of State's birthday. Count Ciano answered that if Lord Halifax would like the agreement for a birthday present he would be delighted for him to have it. He added however that he must consult Signor Mussolini before giving me his final consent.

2. In view of cordiality of this evening's discussions I thought it well to broach the somewhat delicate question alluded to in your telegram No. 208.[4] I observed that visit of Herr Hitler to Rome being fixed for May 3rd would precede by about a week the meeting of the Council at which the question of the obstacles to the recognition of Italian sovereignty over Ethiopia would be discussed. It was desirable that nothing untoward should occur which might vitiate the atmosphere for these discussions. I therefore sincerely trusted that there would be no speeches attacking the League of Nations or Western Democracies. Count Ciano replied that he fully saw my point. He did not think that there would be any public speeches during the visit only a simple exchange of toasts.

3. We decided to meet again on Sunday morning. Count Ciano again remarked that when outstanding points had been settled he would like to

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[1] Not kept in F.O. archives. It apparently referred to the affairs of the firm of Mohammedally in Ethiopia: see No. 662, para. 119, below, and cf. Volume XVIII, No. 362, notes 4 and 5.

[2] In this telegram of April 8 Lord Perth remarked that he was doubtful of the possibility of signing the Anglo-Italian agreement by April 14, as there were still a number of loose ends to be tidied up, but he would do his best.

[3] i.e. April 8.

[4] This Foreign Office telegram of April 7 (R 3520/7/22) referred in diplomatic language to the point made by Sir A. Cadogan in a minute of March 31; '. . . I think the [League] Council meeting will coincide exactly with Hitler's visit to Rome. Mussolini will therefore probably be indulging in undesirable antics in company with his fellow Dictator, and the atmosphere will not be favourable for getting a blessing for our agreement with Italy. However, that is just bad luck, and I don't know what we can do about it (unless Lord Perth can restrain some of Mussolini's higher oratorical flights).'

arrange interview between Signor Mussolini himself and me. This he thought might take place in early days of next week so that we could explain to the Head of the Government the work that had been done. He emphasised how important he considered conclusion of this agreement from a general European point of view.

No. 655

The Earl of Perth (Rome) to Viscount Halifax (Received April 11, 9.30 a.m.)

No. 373 Telegraphic [*R 3808/23/22*]

ROME, *April 10, 1938, 11.20 p.m.*

My immediately preceding telegram.[1]

My telegram No. 360.[2]

Signature and publication.

Minister for Foreign Affairs expressed this morning Signor Mussolini's gratitude for the information I had given him confidentially about our intentions at Geneva (my telegram No. 357).[3] Signor Mussolini was quite content to leave the conduct of affairs there entirely to us.

2. We agreed that today's meeting should be the last formal one between us. The drafting committee would meet tomorrow afternoon and we would see Signor Mussolini together tomorrow or Tuesday. Any further meetings on the small points remaining should not receive publicity.

3. He asked me whether I should prefer to sign on Saturday morning April 16th or on Saturday afternoon. If we sign in the morning the text would be available for evening press: if in the evening for Sunday morning press. I replied that this was a question on which I should have to consult London. As a general rule we preferred publication in the ordinary morning's press but this would mean postponement of publication till Tuesday morning. Count Ciano observed that there would be no issue of Italian press on Tuesday morning and he thought in any event it would be a mistake to wait so long for publishing. His personal preference seemed to be for signature on Saturday morning and publication in the afternoon. He added however that he was quite prepared to accept whatever time suited us best both as regards signature and early publication.

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[1] In this telegram, also despatched at 11.20 p.m. on April 10, Lord Perth said that he and Count Ciano had gone over the agenda and ascertained that only a few matters were still outstanding in connexion with the negotiations for the agreement.

[2] In this telegram of April 9 Lord Perth reported that Signor Mussolini had agreed to the signature of the agreement on April 16.

[3] Not printed (R 3793/7/22): cf. No. 649.

No. 656

Viscount Halifax to the Earl of Perth (Rome)

No. 233 Telegraphic: by telephone [*R 3812/23/22*]

FOREIGN OFFICE, *April 11, 1938, 5.30 p.m.*

Your telegram No. 361.[1]

Please deliver following personal message from the Prime Minister to Signor Mussolini.

'I am delighted to learn from Lord Perth of the good progress that has been made in the conversations between our two Governments, and I would like to say how much I and my colleagues have appreciated the spirit of good will and cooperation which has been applied to our discussions by Your Excellency, Count Ciano and all concerned upon the Italian side.

It is a matter of sincere satisfaction to me, as I am sure it is also to Your Excellency, that we may now look forward to the early signature of an agreement. I hope that this agreement when it comes into full operation will dispose of all outstanding points of difference between us and I confidently expect that thereafter the relations between our two countries will once again be found firmly based on the confidence and friendship which so long existed in the past'.

[1] In this telegram of April 10 Lord Perth had suggested that a personal message to Signor Mussolini from Lord Halifax or Mr. Chamberlain at this juncture would be appreciated.

No. 657

The Earl of Perth (Rome) to Viscount Halifax (Received April 14, 9.30 a.m.)

No. 399 Telegraphic [*R 3877/23/22*]

ROME, *April 14, 1938, 1.40 a.m.*

My immediately preceding telegram[1] and my telegram No. 373.[2]

Signature and publication.

I explained to Minister for Foreign Affairs this evening[3] that unless we were able to send a complete text to London to be available first thing on Saturday morning we would not be able to agree to publication on Sunday. Minister for Foreign Affairs said that he thought that our difficulty could easily be met. He expected to have text ready shortly after mid-day to-morrow Thursday. If we were unable to despatch messenger by train to-morrow afternoon he would see whether a special aeroplane could not be sent to London on Friday morning. He was most anxious to sign on Saturday afternoon and he suggested 6 o'clock and publication should immediately follow. He said that great expectations had been aroused and to do anything to damp them down would be most unfortunate. I therefore agreed to his proposals.[4]

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[1] In telegram No. 398 of April 13 Lord Perth reported that Count Ciano had accepted the proposal for a simple reaffirmation of the 1888 treaty concerning the Suez Canal and had agreed to Lord Perth's proposal for a joint letter enabling the Egyptian Minister in Rome to associate the Egyptian Government with the declaration: see No. 662, para. 113, below.

[2] No. 655.

[3] i.e. April 13.

[4] A note by Mr. Hoyer Millar of April 13 said that the Foreign Office had been conscious of objections to publication of the agreement on a Sunday. The Cabinet decided on April 13, however, 'that the objections to publishing on Sunday were exaggerated and that there were indeed definite advantages in having the Agreement first published in the Sunday papers, which, the Cabinet thought, were very widely read. The Cabinet, therefore, decided in favour of signature on Saturday and publication on Sunday morning'.

No. 658

The Earl of Perth (Rome) to Viscount Halifax (Received April 14, 6.10 p.m.)

No. 401 Telegraphic: by telephone [*R 3904/23/22*]

Immediate ROME, *April 14, 1938*

My telegram No. 381.[1]

Count Ciano and I went to see Signor Mussolini this morning as arranged.

2. Signor Mussolini said he was very happy to learn of results of conversations. He thought apparently real [*sic*] good work had been accomplished which would not only have a most favourable effect on Anglo-Italian relations, but also contribute to the peace of the world. He remarked that he did not think we should encounter any real difficulties in Geneva. Having just received Sir A. Cadogan's letter of 11th April,[2] I took this opportunity of saying to him that if and when Secretary of State spoke at Geneva explaining the attitude of His Majesty's Government he must expect to hear certain words which he might not like in connexion with recognition of Italian position in Ethiopia. We could not take up an attitude of condoning previous Italian policy and we must maintain the line about the past which we had taken before.

I had already spoken to the Minister for Foreign Affairs on these lines and he had suggested that I should mention the matter to Signor Mussolini. Signor Mussolini replied that he quite understood. It was necessary no doubt for reasons of internal politics and others not to deviate in any way from our past attitude. In fact he added that it would not be chic to do so. No doubt too compliments would be paid to Mr. Eden's work. He quite expected this and fully understood our position. What he wanted was concrete results and he would not worry about the points which I had made to him.[3] I said that I was glad of this. His Majesty's Government wished to be completely frank on the subject.

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[1] This telegram of April 11 referred briefly to arrangements for Lord Perth's meeting with Signor Mussolini.

[2] Not printed (R 3818/7/22). Sir A. Cadogan told Lord Perth that Lord Halifax felt that it should be pointed out to Count Ciano that at the forthcoming League Council meeting His Majesty's Government would make it clear that their attitude towards the *de jure* recognition question did not imply that they condoned Italian methods of acquiring sovereignty over Ethiopia.

[3] *Ciano's Diary* (p. 100) gives the following version: 'The Duce replied that . . . he is only interested in the practical results. It would be boorish to expect England to put on sackcloth and ashes. On the contrary, he suggested burning incense to the memory of Eden. To his memory, be it noted.'

3. He then went quickly through texts of Agreement, and the only remark he made was when he came to Italian letter about Spain. In this connexion he said that while Italy did not seek any privileged monopolistic economic position in Spain yet she must be allowed to work there as she had spent not only money but lives in General Franco's cause. I said that all nations would naturally wish to work in Spain but on a footing of equality of opportunity.

No. 659

The Earl of Perth (Rome) to Viscount Halifax (Received April 14, 10.50 p.m.)

No. 402 Telegraphic [*R 3911/23/22*]

Immediate ROME, *April 14, 1938, 8.30 p.m.*

My immediately preceding telegram.[1]

When Signor Mussolini had finished reading texts of Agreement, I gave him personal message from Prime Minister contained in your telegram No. 233.[2] Signor Mussolini read it and expressed his appreciation of its terms. He desired me to thank you for it. He fully agreed with last sentence and he too hoped that old friendship would be fully renewed. He was confident that it would. He thought by Agreements we had cleared up not only all existing difficulties but also removed possible causes of friction for the future. It had always been his wish that these conversations should (? embrace) neutral points at issue and he was happy to say as far as he could see they had done so.

2. I had previously spoken to Count Ciano about the question of publication of this message after signature in form as amended by your telegram No. 257[3] and Count Ciano interrupted conversation to ask Signor Mussolini if he would like publication. The latter said that he would, and I accordingly gave him amended text. Signor Mussolini will prepare a reply and two documents will be published simultaneously with Agreement on Sunday morning. After some conversation on personal subjects it was agreed that a *communiqué* should be issued saying today's meeting represented final stage of conversations and that signature would take place on Saturday afternoon at Palazzo Chiga [*sic*] at 6.30.

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[1] No. 658.

[2] No. 656.

[3] This telegram of April 13 contained minor amendments to Mr. Chamberlain's message to bring it up to date for publication.

No. 660

The Earl of Perth (Rome) to Viscount Halifax (Received April 16)

No. 379 [*R 3940/23/22*]

Immediate ROME, *April 14, 1938*

My Lord,

I have the honour to transmit to you herewith a copy in its final form of the English and Italian texts of the Anglo-Italian Agreement, as it will be signed by the Italian Minister for Foreign Affairs and myself on April 16th.[1]

2. The Agreement consists of a Protocol with eight annexes, namely,

(1) Reaffirmation of the Declaration of the 2nd January, 1937, regarding the Mediterranean, and the Notes exchanged on the 31st December, 1936;[2]

(2) Agreement regarding the Exchange of Military Information;

(3) Agreement regarding certain areas in the Middle East;

(4) Declaration regarding Propaganda;

(5) Declaration regarding Lake Tsana;

(6) Declaration regarding the Military Duties of Natives of Italian East Africa;

(7) Declaration regarding the free Exercise of Religion and the Treatment of British religious Bodies in Italian East Africa;

(8) Declaration regarding the Suez Canal.

and three published exchanges of notes concerning, (a) the progressive diminution of the Italian forces in Libya, (b) policy of the Italian Government in Spain and the recognition of Italian sovereignty over Ethiopia, and (c) the accession of Italy to the Naval Treaty; as well as two confidential exchanges of notes (not for publication) in connexion with the Agreement regarding certain areas in the Middle East (Annex 3 to the Protocol).

3. The Agreement also contains the text of oral assurances regarding Palestine, to be published subsequently to the rest of the Agreement at a date which lies within the discretion of His Majesty's Government.

4. It is not possible to send Your Lordship a copy of the final text of the Anglo-Italian-Egyptian Bon Voisinage Agreement owing to a difficulty which has arisen in regard to the text which is to be signed by the Egyptian representative. I enclose, however, the draft text of the Agreement which it is proposed shall be signed by the Italian Minister for Foreign Affairs and myself, and if any alterations are made in it I will inform you by telephone. As Your Lordship will have seen from Sir Miles Lampson's telegram No. 263[3] of to-day's date, it is not yet certain whether the Egyptian Minister will have received authority by Saturday to sign this Agreement. As regards the exchange of letters between the Italian Minister for Foreign Affairs and the Egyptian Minister at Rome relative to the Declaration regarding Lake Tsana (Annex 5), and the exchange of letters between myself, the Italian Minister

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[1] Not printed: see No. 661 below.

[2] See Volume XVII, No. 530.

[3] Not printed.

for Foreign Affairs and the Egyptian Minister relative to the Declaration regarding the Suez Canal (Annex 8), it is still doubtful whether the texts will have received the approval of the Egyptian Government in time for them to be signed simultaneously with the other documents (see my telegram No. 405).[3]

I have, etc.,
PERTH

No. 661

The Earl of Perth (Rome) to Viscount Halifax (Received April 16, 9.10 p.m.)

No. 411 Telegraphic [*R 3946/23/22*]

Immediate ROME, *April 16, 1938, 7.40 p.m.*

Agreement was signed at 6.30 p.m. today by Count Ciano and myself.[1] Egyptian Minister signed concerning Egypt.[2]

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[1] Count Ciano commented in his *Diary*: 'Lord Perth was moved. He said to me: "You know how much I have wanted this moment to come." It is true—Perth has been a friend. Witness dozens of his reports, which are in our hands' (p. 102).

[2] The English and Italian texts of the documents constituting the agreement were published as Cmd. 5726, *Treaty Series No. 31 (1938)*, in two parts: *I. Agreement between the United Kingdom and Italy consisting of a Protocol with Annexes and Exchanges of Notes; II. Bon Voisinage Agreement and Exchanges of Notes between the United Kingdom, Egypt and Italy. Rome, April 16, 1938.* Copies are filed at R 3940/23/22. The implementation of the agreement did not finally take place until November 16, 1938, after the Italian Government had agreed to the withdrawal of 10,000 Italian volunteers from Spain. Documents relating to the negotiations to this effect in October and November 1938 are printed in Volume III of the Third Series, Chapter VI. For discussions on this point in the summer of 1938 see Nos. 663 and 667 below.

No. 662

The Earl of Perth (Rome) to Viscount Halifax (Received May 30)

No. 473 [*R 5205/23/22*]

Confidential ROME, *May 16, 1938*

My Lord,

With reference to my despatch No. 422[1] of the 29th April, I have the honour to transmit to you herewith a memorandum by Mr. P. J. Dixon, second secretary at this Embassy, describing the negotiations at Rome which resulted in the signature of the Anglo-Italian Agreement of the 16th April, 1938.[2]

2. When your Lordship has read the memorandum, I trust you will agree with me that very great credit is due to Mr. Dixon for this admirable, comprehensive survey.

I have, &c.,
N. CHARLES

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[1] Not printed.

[2] See No. 661.

ENCLOSURE IN NO. 662

Memorandum on the Negotiations at Rome for an Anglo-Italian Agreement, March 8- April 16, 1938

Introductory[3]

As a result of discussions with the Italian Ambassador in London at the end of February, His Majesty's Government decided to initiate conversations with the Italian Government, and His Majesty's Ambassador was summoned back to London in order to assist His Majesty's Government in reaching decisions as to the scope of the proposed conversations and the manner in which they should be conducted. Lord Perth returned to Rome on the 5th March, and on the 8th March began the conversations with the Italian Government which resulted in the signature of the Anglo-Italian Agreement on the 16th April. The conversations were conducted in the course of fifteen formal interviews between His Majesty's Ambassador and the Italian Minister for Foreign Affairs. On matters of higher importance Count Ciano usually found it necessary to refer for instructions to Signor Mussolini, and on more technical and formal points the advice of the Italian experts was often sought. In general, however, Count Ciano was able to indicate at once on his own authority whether any given proposal was likely to be acceptable to the Italian Government or not. The last stages of drafting, translation, &c., were entrusted to a small drafting committee at the Palazzo Chigi, attended on the British side by Mr. Ingram and (for the earlier meetings) by Mr. Dixon.

2. The instructions communicated to His Majesty's Ambassador in the Secretary of State's despatch No. 297[4] of the 4th March contemplated that the agreement should include the following subjects:

(1) Mediterranean and general subjects, comprising a settlement on questions affecting Spain (including a reaffirmation of the Mediterranean Agreement of 1937),[5] the reduction of the Italian garrison in Libya, the exchange of military information, the recognition of Italian sovereignty over Ethiopia, the accession of Italy to the London Naval Treaty of 1936 and propaganda generally.

(2) Near and Middle Eastern subjects, comprising a settlement on questions regarding Arabia, Palestine and Syria.

(3) Ethiopian subjects, comprising a settlement on the questions of Lake Tsana, the frontiers between Italian East Africa and the Sudan, Kenya and British Somaliland, the raising of native armies, the treatment of missionaries and general British trade interests in Ethiopia. There were further the questions of certain specific British interests in Ethiopia, and of extradition and the surrender of extra-territorial jurisdiction in Ethiopia.

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[3] The extensive list of contents is not printed here. The Annexes, comprising the texts of the Agreement and Exchanges of Notes, are also not printed.

[4] No. 620.

[5] See Volume XVII, No. 530.

3. The Italian Minister for Foreign Affairs at once accepted the suggested agenda for the conversations, and on their side the Italian Government added only one subject, namely the Suez Canal. Indeed, from the very outset of the conversations Lord Perth found that Count Ciano was inspired with the greatest goodwill and was anxious that the negotiations should reach a conclusion as early as possible and in any case well before Herr Hitler's visit to Rome, which was due to take place early in May. The Austrian *coup*, occurring shortly after the beginning of the conversations, was a factor which facilitated the task of reaching agreement. Not only was the position of Signor Mussolini and Count Ciano shaken in Italy, so that they earnestly desired to achieve something which would re-establish it, but events in Austria confronted the Italians with the dangers of a Germany whose ambitions might ultimately imperil the Italian Tyrol and even the port of Trieste itself. They were therefore anxious to be able to confront Herr Hitler on his arrival in Rome with the fact that Italy was by no means dependent on German friendship alone, and that the ancient ties between England and Italy had been renewed. General agreement on the majority of points had been reached between Lord Perth and Count Ciano before the end of March, and by that date it was already possible to foreshadow the ultimate shape of the agreement. The last formal meeting between Lord Perth and Count Ciano (excluding the later meeting with Signor Mussolini) was held on the 10th April. By then it had been arranged that signature would take place on the 16th April, and it was in the event possible to sign the agreement on that day, despite the interference of the Easter holiday with plans for publication, and notwithstanding the serious difficulty which arose at the eleventh hour owing to the attitude of the Egyptian Government.

4. As signed and published in Cmd. 5726 (*Treaty Series No. 31 (1938)*),[6] the agreement consisted of a protocol, with eight annexes and three exchanges of notes, made up as follows:

Protocol.

Annex 1.—Reaffirmation of declaration of the 2nd January, 1937, regarding the Mediterranean, and of the notes exchanged on the 31st December, 1936.

Annex 2.—Agreement regarding the Exchange of Military Information.

Annex 3.—Agreement regarding certain areas in the Middle East.

Annex 4.—Declaration regarding Propaganda.

Annex 5.—Declaration regarding Lake Tsana.

Annex 6.—Declaration regarding the military duties of natives of Italian East Africa.

Annex 7.—Declaration regarding the free Exercise of Religion and the Treatment of British Religious Bodies in Italian East Africa.

Annex 8.—Declaration regarding the Suez Canal.

Exchange of Notes.—Strength of Italian forces in Libya.

Exchange of Notes.—Italian assurances in regard to policy in Spain,

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[6] See No. 661, note 2.

Spanish possessions overseas and the Spanish Zone of Morocco; and United Kingdom intentions concerning the clarification of the position of members of the League in regard to the situation in Ethiopia.

Exchange of Notes.—Treaty for the Limitation of Naval Armament, signed at London, the 25th March, 1936.[7]

5. There were also the following three instruments signed between the United Kingdom, Italy and Egypt:

(i) 'Bon-Voisinage' Agreement between the United Kingdom, Egypt and Italy.

(ii) Exchange of notes between the United Kingdom, Egypt and Italy, regarding Lake Tsana (see Annex 5).

(iii) Exchange of notes between the United Kingdom, Egypt and Italy regarding the Suez Canal (see Annex 8).

6. Apart from the foregoing published instruments, the agreement as signed further included confidential exchanges of notes between His Majesty's Ambassador and the Italian Minister for Foreign Affairs on the subject of (1) the existing Eastern and Southern boundaries of Saudi Arabia and the Yemen, and (2) the provisions in the Agreement regarding the Middle East relating to the Italian medical officer at Kamaran; and oral assurances, initialled by Lord Perth and Count Ciano, concerning Palestine, which could be made public but until published remained confidential.

7. Throughout the conversations it was found convenient for the purposes both of discussion with the Italians and communication with the Foreign Office, to employ a settled list of the items on the agenda, and it is proposed in the present memorandum to follow the same order in treating the various questions concerned. The Agenda List was as follows:

(A) Protocol.
  (1) Spain.
  (2) Reaffirmation of the Mediterranean Agreement of January 1937, and of the ancillary exchange of notes.
  (3) The extension of the status quo portion of the Mediterranean Declaration to other Mediterranean Powers.
  (4) The diminution of the Italian forces in Libya.
  (5) The exchange of military information.
  (6) The accession of Italy to the London Naval Treaty of 1936.
  (7) Palestine.
  (8) Syria.
  (9) Arabia.
  (10) Propaganda.
  (11) Ethiopian subjects:
    (*a*) Recognition of Italian sovereignty over Ethiopia.
    (*b*) The 'Bon-Voisinage' Agreement.
    (*c*) Lake Tsana.

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[7] See Volume XIII, No. 718.

(*d*) The raising of native armies.
(*e*) The treatment of missionaries in Ethiopia.
(*f*) British trade and other interests in Ethiopia.
(12) Suez Canal (added later at the request of the Italian Government).

8. It was necessary in the course of the negotiations to consult His Majesty's Ambassador at Cairo and the Egyptian Government in regard to certain questions on the agenda which, in varying degrees, affected Egypt and our imperial interests. The Egyptian Government were consulted in regard to the following items on the agenda: Nos. A. 5, 11 (*b*), 11 (*c*), 11 (*f*) and 12. They were further kept informed of the negotiations on the following items: Nos. 4, 9 and 11 (*d*). No serious difficulty arose as regards the Egyptian aspect of the negotiations, except (at the last moment) in connexion with items 11 (*b*) ('Bon-Voisinage' Agreement), 11 (*c*) (Lake Tsana) and 12 (Suez Canal), while certain considerations were urged by Sir M. Lampson in connexion with item 5 (Exchange of Military Information).

9. During the conversations, Lord Perth kept in close touch with certain of his foreign colleagues. The Egyptian Minister was kept fully and regularly informed of the negotiations of points affecting Egypt, and his co-operation in regard to the last minute difficulties which arose was of considerable help in reaching agreement on them in time. Throughout the negotiations the United States Ambassador at Rome was fully acquainted with their progress. And the same may be said of the French Chargé d'Affaires. Lord Perth also took an occasion to inform the Turkish Ambassador of the progress of the conversations; as he understood that such action would be appreciated by the Turkish Minister for Foreign Affairs.

Protocol

10. It was originally contemplated that the instrument which should cover the various agreements and declarations should be a *procès-verbal*, but at the request of the Italian Minister for Foreign Affairs it was eventually styled a 'protocol.' The first draft of the protocol was communicated to Count Ciano on the 26th March. It specified (1) in the preamble that the two Governments, desiring to contribute increasingly to the betterment of relations between the two countries, had decided to undertake conversations in order to reach agreement on questions of mutual concern; (2) that each of the annexed agreements and declarations should be regarded as a separate and self-contained instrument, (3) that the instruments should take effect on such date as the two Governments should together determine; (4) that, except in so far as any of them contained special provisions with regard to their revision or duration, each of them should remain in force indefinitely, subject to revision after consultation; and (5) that immediately after the taking effect of the instruments negotiations would be opened, in which the Egyptian Government would be invited to participate, with a view to agreement on the boundaries between Italian East Africa and the Sudan, Kenya and British

Somaliland, as well as with regard to certain other questions affecting British, Egyptian or Sudanese interests in Ethiopia. As regards (3), this form of words was inserted since public opinion in the United Kingdom would require to be assured that, before the agreements entered into force, our two prior conditions had been fulfilled, namely, that a satisfactory settlement of the Spanish question had been obtained, and that the question of the recognition of Italian sovereignty over Ethiopia had been considered by the League of Nations. The effect was thus that the protocol entered into force on the day on which it was signed, while the various agreements and declarations would not take effect before a date to be determined by the two Governments. When the foregoing proposals were presented to Count Ciano, he indicated that he would be prepared to accept them provided that the agreement could be published before it became formally effective; Count Ciano urged that from the Italian point of view the mere publication of the agreement, even though it had not formally come into force, would result in dissipating the atmosphere of suspicion prevailing between Italy and the United Kingdom and in producing a full *détente* between the two nations.

11. As regards point (2), His Majesty's Government considered that a duration clause applicable to the whole agreement would hardly be appropriate. At the same time, it was felt that each of the agreements or declarations forming annexes to the protocol should be regarded as separate, so that failure to implement one should not on that account invalidate all the other agreements or declarations, and that provision should be made for consultation between the two Governments in the event of a change of circumstances rendering necessary a revision of any of those instruments which contained no provision as to duration or revision.

12. In order to surmount the difficulty presented by the omission in the protocol of mention of either Spain or of the recognition of Italian sovereignty over Ethiopia, Lord Perth suggested that these two matters should be dealt with in letters from Count Ciano and himself respectively, which would be made public at the same time as the protocol. The discussions connected with this proposal will be dealt with separately below, but it may be noted, in the present connexion, that the Italian Government agreed to the proposal, and accordingly no mention was made of either Spain or recognition in the protocol itself.

13. The first draft of the protocol was the subject, in the course of the negotiations, of the following amendments:

(i) Count Ciano, on the 2nd April, as a personal suggestion, proposed that the wording of the first paragraph of the protocol should be strengthened. No objection being seen by His Majesty's Government, the phrase 'desiring to contribute increasingly to the betterment of relations between the two countries and the general cause of peace and security' . . . was amended to read 'animated by the desire to place the relations between the two countries on a solid and lasting basis and to contribute to the general cause of peace and security . . .'

(ii) The Italian experts on the 1st April proposed a redraft of the final (eventually the penultimate) paragraph of the protocol, their object being (*a*) to specify the Italian territory in question as a whole rather than piecemeal (NOTE. In accordance with article 1 of the Italian Law No. 1019 of the 1st June, 1936, 'Italian East Africa' comprises Ethiopia, Italian Somaliland and Eritrea); and (*b*) to make it clear that the undertaking contained in that paragraph was reciprocal and covered Italian as well as British interests. The Italian proposal was accepted, subject to drafting amendments.

(iii) After examining the Italian proposals for regulating the question of British trade and other interests in Ethiopia (item 11(*f*) on the agenda), His Majesty's Government came to the conclusion that this question could more suitably be dealt with in the protocol itself, and not, as originally contemplated, in a separate annex forming part of the ensemble of Ethiopian questions. A formula based on the Italian proposals was submitted to the Italian Government on the 8th April. The Italian Government raised no objection to the inclusion of the proposed formula in the protocol itself (to which it accordingly formed an additional paragraph at the end). They at first, however, raised difficulties in regard to the question of the application to the whole of Italian East Africa of the Anglo-Italian Commercial Treaty of 1883. A solution was found by the insertion of words which made it clear that the application of this treaty to Italian East Africa was subject to conditions to be established.

14. The Egyptian Government were kept informed of the negotiations concerning the protocol. This instrument affected Egyptian interests in so far as (*a*) it covered various agreements and declarations of direct concern to them, and (*b*) contained a clause providing for negotiations, in which the Egyptian Government would be invited to participate so far as questions affecting Egypt or the Anglo-Egyptian Sudan were concerned, with a view to agreement on the boundaries between Italian East Africa and the Sudan, Kenya and British Somaliland. The same clause provided for Egyptian participation in negotiations concerning British, Egyptian and Sudan interests in Italian East Africa and relations with the latter territory, as well as the question of commercial relations between the Sudan and Italian East Africa.

15. No objections to the draft protocol were seen by the Egyptian Government, although the following two points were raised by the Egyptian Prime Minister:

(i) The Prime Minister was at first inclined to ask for the exclusion of the word 'Egypt' from the passage mentioned above, on the grounds that, so far as he could follow, only the Sudan was concerned. No objection was seen either in London or in Rome to the omission of the word if the Egyptian Government desired it, but after it had been pointed out to the Egyptian Prime Minister that its retention offered certain positive advantages to Egypt, he decided that it would be preferable to leave the text as it stood.

(ii) At the eleventh hour, difficulties in the internal situation constrained the Egyptian Government to demand more direct participation in the agreement to be signed at Rome. One of the Egyptian requests was that the 'Bon Voisinage' Agreement should form an annex to the protocol, instead of being a separate tripartite agreement between the United Kingdom, Italy and Egypt, and that the Egyptian Government should be mentioned in the protocol as having been invited to participate in that agreement and in the Anglo-Italian declarations regarding Lake Tsana and the Suez Canal. In view of the evident impossibility of directly associating Egypt in a purely Anglo-Italian document, the Egyptian Prime Minister eventually agreed to drop this request.

(I) *Spain, and* (II)(*a*) *Recognition of Italian Sovereignty over Ethiopia.*

16. These two questions were of cardinal importance in the negotiations, and were closely interconnected. It accordingly seems best to deal with the two questions together. His Majesty's Government for their part were bound by the statement made by the Prime Minister in the House of Commons on the 21st February,[8] before the opening of negotiations, to the effect that the British Government regarded a settlement of the Spanish question as an essential feature of any agreement which might be reached. Until His Majesty's Government were satisfied as regards the Spanish question, they were unable to make progress in regard to the question of recognition of Italian sovereignty over Ethiopia; and the Italian Government, for their part, regarded it as essential that any agreement should include satisfactory indications of the intentions of His Majesty's Government in that respect. In regard to Spain it was possible in the course of the negotiations to obtain various assurances from the Italian Government concerning their policy in Spain which His Majesty's Government felt able to accept as evidence of their desire to make such contribution as lay in their power towards a settlement of the Spanish problem. As regards the question of the recognition of the Italian conquest of Ethiopia, the Italian Government made it a condition that any agreement should include a *published* statement of the intentions of His Majesty's Government in this respect. A solution was ultimately found, as a result of a suggestion of Lord Perth, that the agreement should include an exchange of notes in which the Italian Government publicly reiterated certain assurances already given to Lord Perth, in regard to their policy in Spain, and His Majesty's Government, in taking note of these assurances, recorded their desire to remove such obstacles as might be held to impede the freedom of States members of the League as regards the recognition of Italian sovereignty over Ethiopia. Both these assurances were to be read in conjunction with the passage in the protocol, which specified that the instruments covered by the protocol should only take effect on a date to be determined by

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[8] See No. 576, note 1.

the two Governments. The effect of this provision was to enable His Majesty's Government to withhold consent to the entry into force of the agreement until such time as a settlement of the Spanish question should have been reached, whereupon it would be possible to proceed to recognition and for the agreement thus to take effect by mutual consent.

17. It is proposed in what follows to explain the detailed negotiations which resulted in the solution indicated above.

(1) *Spain.*

18. It was made clear to the Italian Government from the outset that a settlement of the Spanish question was a prerequisite of the entry into force of any agreement. There was, at first, some misunderstanding in the minds of the Italian Government as regards the implications of the phrase 'a settlement of the Spanish question.' At the interview with the Prime Minister and the Secretary of State on the 21st February, as a result of which the decision was taken to initiate conversations with the Italian Government, the Italian Ambassador in London had apparently interpreted the phrase as if the acceptance by the Italian Government of the British formula regarding the withdrawal of volunteers from Spain and the subsequent grant of belligerent rights on both sides, was equivalent to the practical application of that formula. His Majesty's Government, on the other hand, considered that this was not sufficient, but that a settlement of the Spanish question implied the practical application of the British formula. In other words, there must be real performance as distinct from mere promises. This divergence of view, which was raised in a more acute form at a later stage of the negotiations (see paragraph 20 below), was touched on in Lord Perth's first exchanges with Count Ciano. Meanwhile, Lord Perth lost no time in intimating to Count Ciano, in the course of his opening conversation on the 8th March, that early and rapid progress on the Spanish question was of vital importance to the final success of the negotiations; he suggested that anything which the Italian Government could do at once in order to convince British public opinion that they were sincere in their desire for a solution of the Spanish problem would be helpful as evidence of Italian goodwill, and he made the purely personal suggestion that a withdrawal from the Balearic Islands and a cessation of their use as a base could not fail to have a highly beneficial effect. The Italian Government, however, proved adamant as regards the proposal to cease using the Balearic Islands as a base for aircraft, although Count Ciano stated positively that there were no Italian land forces in those islands.

19. On the 18th March, Count Ciano declared the willingness of the Italian Government to give a written pledge confirming their full adherence to the British formula and pledging themselves to give real and practical application to the evacuation of foreign volunteers from Spain on the conditions to be determined by the Non-Intervention Committee. Lord Perth was further able, at an early stage in the negotiations, to obtain assurances from Count Ciano that the Italian Government were not allowing any more men

to leave for Spain, and that this had been their policy ever since agreement had been reached on the point in the Non-Intervention Committee. Count Ciano intimated that he had no objection to this statement being quoted publicly in the House of Commons. Count Ciano further volunteered that he was ready to repeat the categorical assurances given to Lord Perth prior to the conclusion of the Mediterranean Agreement of January 1937, to the effect that Italy had no territorial, political or economic aims in Spain or in the Balearic Islands. Count Ciano further stated his readiness to reaffirm the assurance given to Lord Perth in July 1937, that as soon as General Franco's victory was assured all Italian soldiers, airmen, &c., would leave Spain. When His Majesty's Government asked that this latter assurance should be couched in a modified form, Count Ciano agreed to state in effect that at the termination of the civil war all Italian war material would be withdrawn simultaneously with the remaining Italian volunteers (see paragraph 23 below).

20. At an early stage in the conversations it became clear that His Majesty's Government were in a serious dilemma in regard to the Spanish question. On the one hand, there was an evident desire on the part of the Italian Government, of which His Majesty's Government wished to take advantage, to conclude an agreement at an early date and in any case before Herr Hitler's arrival in Italy early in May. On the other hand, His Majesty's Government were bound by the Prime Minister's statement in Parliament that they regarded a settlement of the Spanish question as an essential feature of any agreement which might be arrived at. Unfortunately, it seemed impossible to reach a 'settlement of the Spanish question' in time, since it would clearly not be possible to conclude the necessary arrangements for the withdrawal of foreign volunteers from Spain or to have them put into operation by the middle of April, the date by which it was hoped to conclude the Anglo-Italian Agreement; and His Majesty's Government felt that the assurances given by the Italian Government regarding their intentions in Spain, valuable as they were, would not suffice to meet the very precise pledges given to Parliament. It was felt that one possible course, namely, mediation, offered no practical solution of this dilemma, in view of the sweeping successes which were being obtained by General Franco in the month of March. The situation was rendered still more difficult by repeated bombing of Barcelona, in which the Italians were believed to have participated. The heavy loss of life had been a great shock to British public opinion.

21. The Secretary of State suggested that the Italian Government should be confronted squarely with the dilemma in which His Majesty's Government found themselves, and asked what they advised. Lord Perth feared, however, that the result of such action might merely lead the Italian Government to enquire once more what was implied by 'a settlement of the Spanish question.' His Excellency agreed that mediation offered no very helpful prospect, and he was driven to the conclusion that if General Franco's victories did not themselves solve the dilemma within the following month,

the agreement would have to be put into cold storage until it could become effective, a course which was greatly to be deplored. Lord Perth finally suggested to the Secretary of State that if nothing else could be done an agreed statement should be issued, once the outstanding questions had been settled, explaining that all difficulties had been removed between the two countries, and that His Majesty's Government were only awaiting a clarification of the Spanish question in order that recognition of Italian sovereignty over Ethiopia might be granted and the agreements themselves come into force. Lord Perth urged the desirability in any case of not postponing action at the meeting of the League Council on the 9th May to secure the removal of the obstacles to the eventual grant of recognition of sovereignty, pointing out that a decision not to proceed with action at Geneva would have a far-reaching and deplorable effect, which might even result in the formation of a definite alliance between Italy and Germany.

22. When urging the foregoing considerations Lord Perth also took the opportunity of submitting to the Secretary of State certain considerations in regard to the pledges concerning Spain given by the Prime Minister in the House of Commons. Mr. Chamberlain had stated that the British Government regarded a settlement of the Spanish question as an essential feature of any agreement which might be arrived at. It was, however, Lord Perth remarked, clearly impossible for the British and Italian Governments alone 'to achieve a settlement of the Spanish question.' Should not the words of the Prime Minister be taken to mean that, as part of any Anglo-Italian Agreement, the Italian Government should bind themselves for their part to make what contribution they could towards such a settlement; and in that case might it not reasonably be held that the Italian Government have already made such a contribution by agreeing to the British plan for the withdrawal of foreign volunteers from Spain. Lord Perth also suggested that the Prime Minister might quote in Parliament the renewed and very categorical assurances given to him by Count Ciano to the effect that Italy had no territorial, political or economic aims in Spain or Spanish territories and had no intention of maintaining any garrisons there. In the House of Commons on the 24th March,[9] the Prime Minister, in speaking of the encouraging progress of the conversations at Rome, recalled that he had impressed on the Italian Government through Count Grandi, the necessity, if the conversations were to succeed, not only that they should lend whatever help they could along with others in bringing the plan for the withdrawal of foreign volunteers from Spain into operation, but that in the meantime the situation in Spain should not be materially altered by Italy sending fresh reinforcements. Mr. Chamberlain went on to say that it was never demanded or expected of the Italian Government that they should effect a unilateral withdrawal from Spain, and he thought it right to say that during the weeks while the conversations had been proceeding His Majesty's Government were satisfied of the fulfilment by the Italian Government of the conditions which had been indicated to them. The Prime Minister added that the Italian

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[9] See No. 636.

Government had now again asserted their willingness loyally to assist in the execution of the British plan, and, what was perhaps most important, they had repeated their declaration that Italy had no territorial, political or economic aims in Spain or in the Balearic Islands.

23. The Prime Minister's statement, which was well received both in England and in Italy, helped considerably to clear the atmosphere. The Secretary of State informed Lord Perth, however, that the difficulties of the parliamentary situation would be eased if the Italian Government could see their way to taking certain further steps in connexion with their policy in Spain. Lord Perth accordingly explained to Count Ciano that the Secretary of State was anxious to create a favourable atmosphere, which should go far to facilitate ultimate agreement provided that future Italian action in Spain or published references in Italy to the success of Italian intervention did not destroy it. The references in the Italian press to the exploits of the legionaries became markedly more restrained after these representations. Lord Perth went on to explain that there was still considerable mistrust in the House of Commons regarding Italian intentions in Spain. The Secretary of State was doing his best to dissipate this feeling, but he remained dependent on Italian assurances and evidence of Italian loyalty in carrying out these assurances. Lord Perth remarked that it would be of great help to the Secretary of State in his task if Count Ciano could give an assurance, which could be utilised in the House of Commons, that as soon as the Spanish civil war had terminated all Italian volunteers would leave Spanish territory and war material be withdrawn. After consulting Signor Mussolini Count Ciano was able to give the desired assurances, while making all reserves for war material which might ultimately be sold or given to General Franco. This further assurance was embodied in the published note from the Italian Government concerning their policy in Spain.

24. A further step which helped to ease the situation in regard to Spain was the publication, at the suggestion of His Majesty's Government, of an official *communiqué* referring in appreciative terms to the Prime Minister's references to Italy in his speech in the House of Commons mentioned in paragraph 22 above. This *communiqué* was drafted by Signor Mussolini himself.

25. When the time came, as will be explained below, to present the Italian Government with the draft of the note about Spain which it was suggested that they should exchange with a note from His Majesty's Government about recognition of Italian sovereignty over Ethiopia, no difficulty was raised on the Italian side in regard to the text, except as concerned one point, namely, the suggested pledge that the Italian Government had no 'economic' aims in Spain. Count Ciano pointed out to Lord Perth that every country legitimately had economic aims in foreign countries. Signor Mussolini also made the same point to Lord Perth in the course of their interview at the close of the conversations. The Italian point of view was found reasonable by His Majesty's Government and this part of the draft note was accordingly altered to state that Italy did not seek 'a privileged economic position' in Spain. The Italian Government further agreed to state, at the end of the note, that they

had no intention of keeping any 'armed forces' in Spain instead of employing the word 'garrisons' as originally proposed.

(11)(*a*) *Recognition of Italian Sovereignty over Ethiopia.*

26. As already stated, this question was the crux of the matter so far as the Italian Government were concerned. This was admitted from the outset by His Majesty's Government. They, however, were committed on their side in the House of Commons to the attitude that a decision on this point did not rest with them alone, but was one for the League of Nations; His Majesty's Government were further obliged, as already explained, to make the question of recognition conditional on a settlement of the Spanish question. The ensuing negotiations may be said to have passed through three phases.

Phase 1.

27. At his first interview with Count Ciano on the 8th March Lord Perth handed him a written undertaking that if agreement was reached on all questions between the two Governments, His Majesty's Government would at the earliest opportune moment take steps at Geneva with a view to removing the existing obstacles in the way of the recognition of Italian sovereignty over Ethiopia. Count Ciano was at first most reluctant to accept the necessity of referring the matter to Geneva at all, but eventually he acquiesced, though continuing to betray apprehension of what would happen if the League refused to free the hands of its members for purposes of recognition.

Phase 2.

28. The outburst of public indignation in the United Kingdom at the bombing of Barcelona in the latter part of March, in which Italian aeroplanes were believed largely to have participated, threatened to retard a settlement of the Spanish question, on which the grant of recognition of Italian sovereignty was dependent.[10] In an interview with Count Ciano on the 27th March, Lord Perth suggested that a way out of the difficulty was presented by the formula in the protocol, which stated that the instruments forming the agreement should come into force on such date as the two Governments determined. This would leave His Majesty's Government with a free hand in so far as Spain was concerned (i.e., British consent to the entry into force of the agreement would not be forthcoming until a satisfactory settlement of the Spanish question had been reached); and it would leave the Italian Government free as regards recognition (i.e., the Italians could withhold their assent to the entry into force of the agreement until they were satisfied on this point). Lord Perth admitted that he had in mind the conclusion and publication of an agreement which contained no mention of the questions either of Spain or of recognition.

29. Count Ciano, however, asserted that in Signor Mussolini's view, it was

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[10] Cf. No. 633, note 4.

an absolute essential that any agreement should contain a public indication of the intentions of His Majesty's Government as regards the recognition of Italian sovereignty. He was, therefore, inclined to propose reversion to the original suggestion that the whole agreement should be placed in cold storage until the Italian Government were satisfied as regards recognition and His Majesty's Government as regards Spain, and that no publication should take place till this had happened. As Count Ciano pointed out, however, such a course was open to considerable dangers, in view of the many forces which were at work against the agreement.

Phase 3.

30. Lord Perth then made the personal suggestion that the assurance already given in regard to the intentions of His Majesty's Government should be embodied in a letter to the Italian Government, which would be published simultaneously with the agreement. The Italian Government received this suggestion favourably. It did not, however, at first commend itself to His Majesty's Government, who hoped that the Italian Government would be content with an assurance that they proposed to put the question of the recognition of Italian sovereignty on the agenda of the Council; since this meant that a communication to that effect must be sent to the Secretary-General of the League on the 9th April, His Majesty's Government trusted that the fact that they would have committed themselves to action at Geneva even before agreement had been reached would serve to dispel any suspicion which the Italian Government might harbour as to their ultimate intentions. Lord Perth was accordingly requested, on the 31st March, to urge Count Ciano strongly to drop all idea of any public exchange of letters at the time of signature regarding the intentions of His Majesty's Government, which would by then already have been manifested to the world.

31. Lord Perth still felt, however, that, although the Italian Government would be greatly reassured by the contemplated declaration regarding British intentions at Geneva, they would be likely to insist on an exchange of notes on the subject, to be published simultaneously with the main agreement. The Italian Government, in fact, seemed to attach such value to this that, in Lord Perth's view, they would probably agree to accept a letter from His Majesty's Government containing a sentence to the effect that it was hardly necessary to remind them that His Majesty's Government regarded a settlement of the Spanish question as a prerequisite of the entry into force of the agreement. Lord Perth further recalled that the Minister for Foreign Affairs had already stated his willingness, in return for a note from His Majesty's Government about recognition, to give a note on the Italian side reaffirming the pledges in regard to Spain. After consideration of Lord Perth's arguments, the Secretary of State signified his approval of an exchange of letters linking up, as suggested, the British proposals on the question of recognition and the Italian assurances regarding Spain. Lord Perth informed Count Ciano accordingly on the 2nd April, and he at once accepted both the proposal and the text proposed for the exchange of letters. The text as originally submitted to the

Italian Government was that which eventually appeared in the agreement, with certain modifications in the Italian note regarding Spain (which have already been indicated in paragraph 25 above) and with one amendment in the second paragraph of the British note which the Italian Government accepted without demur, although it was at first feared that they might feel that it implied some weakening of the undertaking. This was the substitution, for the phrase 'His Majesty's Government being desirous that such obstacles as may at present be held to impede recognition by member States of Italian sovereignty over Ethiopia should be removed' of the phrase 'His Majesty's Government, being desirous that such obstacles as may as at present be held to impede the freedom of member States as regards recognition, &c.' This amendment was put forward on the New Zealand Government representing that the revised wording would make the position at Geneva easier for them.

32. The Italian Government on several occasions manifested nervousness at the prospect of opposition at Geneva to the initiative taken by His Majesty's Government. Lord Perth, in calming these apprehensions, took the line that the Italian Government must trust His Majesty's Government in this matter. Towards the conclusion of the conversations Lord Perth was authorised to inform Count Ciano, for his own and Signor Mussolini's confidential information, more precisely of the intentions of His Majesty's Government at Geneva. While warning the Italian Government that it might be impossible to obtain a Council resolution if, as seemed probable, an Ethiopian representative were invited to attend and did so (a course which the United Kingdom representative could not oppose), His Majesty's Government did not disguise their intention so to handle the matter, whether by resolution or otherwise, as to leave their hands free to proceed to recognition whenever the required conditions had been fulfilled. In the final interview with Signor Mussolini, the latter showed himself perfectly equable as regards the situation at Geneva.[11]

(2) *Reaffirmation of the Mediterranean Agreement of January 2, 1937, and of the ancillary Exchange of Notes.*

33. The Italian Minister for Foreign Affairs had already expressed his willingness, before the opening of the conversations, that any agreement should contain a reaffirmation of the Anglo-Italian Declaration of the 2nd January, 1937, regarding the Mediterranean and the exchange of notes of the 31st December, 1936. The formula proposed took the form of a simple

[11] Lord Halifax duly proposed to the League of Nations Council on May 12, 1938, that the question of the recognition of Italy's position in Ethiopia should be regarded by members of the Council as one for each member of the League to decide for itself, and he reminded the Council that the British Government's action in this respect would be dependent 'on the progress made in the solution of another large and difficult question'. The Emperor Haile Selassie attended the meeting. There were dissenting speeches after that of Lord Halifax, notably those of the Emperor and M. Litvinov, and no formal decision was reached. But the effect of the discussion was to leave the initiative in recognition to individual governments. (*L/N.O.J.*, January-June 1938, pp. 333-347).

reaffirmation, on which there was no difficulty in reaching agreement. The Italian Government at one moment handed in a formula, to which objection was seen on purely formal grounds, and no difficulty was raised by them in accepting the British formula, which appears in the agreement as Annex 1 to the protocol.

(3) *Extension of the Status Quo portion of the Mediterranean Agreement to other Mediterranean Powers.*

34. It was at first proposed that the agreement should include a document making it clear to all other Mediterranean Powers that His Majesty's Government and the Italian Government would welcome a declaration from those Powers in the sense of paragraphs 4 and 5 of the Anglo-Italian Declaration of the 2nd January, 1937. The effect of such a document would be that the status quo portion of the Mediterranean Declaration would be open to accession by other Mediterranean Powers—a step which, His Majesty's Government felt, would help towards general appeasement in the Mediterranean. From the outset the Italian Minister for Foreign Affairs made it clear that he disliked the proposal. In general, he urged that it savoured of a multilateral pact (a type of arrangement to which Signor Mussolini was particularly averse), and he further drew attention to the difficulties which would arise concerning the accession of Spain to any such agreement. In view of the Italian attitude, it was decided, early in the conversations, to abandon the attempt to secure a declaration open to accession by Mediterranean countries in general, and to confine the attempt to bringing France into the scope of the proposed arrangement. Lord Perth's original instructions contemplated that everything possible should be done to secure French interests in the course of the negotiations, wherever they stood to benefit; and the situation in the Mediterranean was a question in which the French Government were essentially interested.

35. Even before an actual formula was presented to him, Count Ciano showed evident distaste for the idea of extending the scope of the Anglo-Italian conversations to any other Power, and when in due course a formula was presented, designed to associate France with the reaffirmation of the Mediterranean Declaration, Lord Perth, as anticipated, found Count Ciano quite unwilling to accept it. For purposes of record, it may be useful to append the text of the proposed formula, which was as follows:

> 'The Government of the United Kingdom and the Italian Government hereby reaffirm the declaration signed in Rome on the 2nd January, 1937, regarding the Mediterranean, and the exchange of notes between them, dated the 31st December, 1936, relative to the status quo in the Western Mediterranean.
>
> The two Governments recognise that France has interests in the freedom of entry into, exit from and transit through the Mediterranean corresponding to those of the different parts of the British Empire and Italy.

The two Governments would welcome a statement by the French Government that it disclaims any desire to modify or, so far as it is concerned, to see modified the status quo as regards the national sovereignty of territories in the Mediterranean area, and that it undertakes to respect British and Italian rights and interests in the said area. In the event of such a statement being made, the two Governments agree that the corresponding statement which they have made as between themselves in the said declaration of the 2nd January, 1937, shall apply in their relations with the French Government.'

36. In an interview on the 2nd April Lord Perth pressed Count Ciano strongly to agree to the suggested formula. Count Ciano stated categorically that it was quite impossible for the Italian Government to agree; he added that there was no issue at all between Italy and France, and that, once the Spanish question was out of the way, there was no reason why Italy and France, and France and the United Kingdom, should not conclude bilateral pacts in the sense suggested. It was clear from Count Ciano's remarks that the fundamental explanation of the Italian attitude lay in their situation towards Germany; Italy could not agree to enter into an arrangement which could certainly be represented by the French as a tripartite Mediterranean Pact and which would inevitably have the appearance of being directed against Germany.

(4) *The Diminution of the Italian Forces in Libya.*

37. In 1934, before the Ethiopian dispute, the Italian garrison in Libya consisted of about 20,000 native troops. At the time of the opening of the Rome conversations it seemed probable that the garrison consisted of about 55,000 white troops and 15,000 to 20,000 native troops. The existence of these large forces, it was felt, constituted a threat not only to the French in Tunisia, but also to Egypt. It was, further, a matter on which public opinion felt strongly in England. In his opening conversation on the 8th March, His Majesty's Ambassador accordingly expressed the hope to the Italian Minister for Foreign Affairs that he would give an assurance that the Italian Government would diminish their existing forces in Libya. Count Ciano made no difficulties, although he seemed somewhat taken aback by his Excellency's request for a diminution of troops by an army corps. After consultation with Signor Mussolini, Count Ciano informed Lord Perth that the former was prepared to reduce the Libya forces by stages to not less than half their present strength, although he could not accept the request for a withdrawal of an army corps, since this would involve a modification of the whole organisation for the defence of the territory. Signor Mussolini further intimated that, as a symbolic gesture, some 3,000 or 4,000 men would be withdrawn even before the agreement was concluded. These assurances were received with satisfaction by His Majesty's Government.

38. At a later interview (on the 27th March) Count Ciano stated that Signor Mussolini had decided that withdrawals should immediately begin at

the rate of 1,000 men a week until the effectives in Libya reached peace strength; this would constitute an ultimate diminution of those effectives by not less than half their present strength. Count Ciano added that this information could be immediately used publicly by His Majesty's Government; and on a later occasion he volunteered that, if it was desired, he was prepared to give Lord Perth a letter to that effect which could be embodied in the agreement. His Majesty's Government accepted this suggestion, and no objection was raised by the Italians to the draft of the exchange of letters on the subject which was eventually incorporated in the agreement (forming the first exchange of notes as published in Cmd. 5726, p. 26).[6] It may be added that, in the course of the negotiations, Count Ciano showed Lord Perth a copy of instructions, dated the 30th March, which had been sent to Marshal Balbo telling him that withdrawals of 1,000 men a week were to begin at once.

39. The Egyptian Government were acquainted with the course of the negotiations on this point.

(5) *Exchange of Military Information.*

40. The question of an exchange of military information in regard to the Mediterranean and Red Sea areas was originally a desideratum of the Italian Government. Although, so far as was known, the Italian Government did not set any great store by the inclusion of such an item in the agenda, it was felt that its inclusion would be useful, and the question was therefore raised on our initiative during the conversations.

41. The negotiations on this subject began with a British draft, which was met by an Italian counter-draft, and agreement was eventually reached, without serious difficulty, on a compromise between the two drafts. The agreement on the subject was included in the agreement as annex 2 to the protocol. In the case of all the three drafts under consideration, it was contemplated that the proposed exchange should fall into two main parts: (*a*) The first part provided for an exchange of information regarding major prospective administrative movements or redistribution of naval, military or air forces in the Mediterranean and Red Sea areas; (*b*) the second part provided for notification in advance of any decision to provide new naval or air bases in certain defined areas in the Mediterranean and Red Sea or approaches thereto.

42. The second part of the formula gave rise to no difficulties, and as it appeared in the agreement was in the form originally submitted to the Italian Government. Objection, however, was seen by the Italian Government to the first part of the original British formula, on the ground that it required the giving of information on the Italian side in regard to Italian forces of every kind and their movements within all Italian territory, both metropolitan and overseas. Such a proposal, the Italian Government felt, did not constitute reciprocity, since the British Isles were not located in the Mediterranean, and were therefore not included in the exchange of information. In the Italian

counter-formula the exchange of information was accordingly limited to Italian overseas territories, protectorates and colonies within the Mediterranean and Red Sea areas. It further appeared not to include the whole of Libya as regards either the first part or the second part of the formula. As Lord Perth argued, the Italian proposal meant that, while we should have to give full information about British measures concerning all British territory in the Mediterranean, the scope of the Italian information was limited to certain territories in the Mediterranean.

43. On examination, the Italian proposals were found acceptable in principle. In handing in the British counter-formula, Lord Perth explained to Count Ciano that its effect was that information would be exchanged in respect of major prospective administrative movements or redistribution of naval, military and air forces in Gibraltar, Malta, Cyprus, Palestine, Aden and the Aden Protectorate, Egypt and the Sudan, British Somaliland and most of Kenya on the British side; and in Libya, the Ægean Islands and Italian East Africa on the Italian side. Lord Perth requested and obtained assurances (*a*) that Libya was included in the area covered by the first part of the draft, and (*b*) that there was no necessity under the formula to notify any changes made to meet sudden emergencies, explaining that it was with this end in view that the words 'major prospective administrative movements or redistribution' had been used.

44. The British counter-formula was accepted by the Italian Government subject to the substitution of latitude 7° south for 2° south as the southern limit of the proposed exchange. (It transpired in the course of discussion in the Drafting Committee that the original Italian request for a southern limit of 10° north had been a mistake for 10° south.)

45. The Egyptian Government were consulted in regard to these negotiations, since the proposed exchange of information covered territories which bordered on Egypt, and since, on the British side, it was proposed that information would be given as regards British (though naturally not Egyptian) forces in Egypt and the Sudan. The Egyptian Prime Minister made no difficulty in concurring in the draft formula, on the understanding that it did not concern Egyptian troops either in Egypt or in the Sudan.

46. No other point was raised by the Egyptian Government, but it should perhaps be recorded, as an epilogue to the negotiations on this point, that His Majesty's Ambassador at Cairo at a late date (the 11th April) asked that further consideration might be given to two points in the proposed formula. In the first place, Sir Miles Lampson was of opinion that Tripoli, as the most important area for air bases in the event of projected air operations, should be included in the area within which decisions were to be notified if provision was made for new naval or air bases (part 2 of the formula). As Lord Perth pointed out, Tripoli, as part of Libya, was already included in the area for the proposed exchange of military, naval and air information in part 1 of the formula; it had never been contemplated, however, that it should be included in the area mentioned in part 2 of the formula. This understanding of the position was confirmed by His Majesty's Government, who, after examina-

tion of Sir Miles Lampson's proposals, expressed themselves as satisfied that the existing formula covered essential British and Egyptian interests.

47. Sir Miles Lampson further suggested that another effort should be made to include the Island of Pantelleria in the proposed exchange of information. Lord Perth had already attempted, without success, to persuade Count Ciano to agree to the inclusion of Pantelleria, but found him quite unwilling to do so. As Lord Perth pointed out, this was a question of principle with the Italian Government, who looked upon Pantelleria almost as we looked upon the Orkneys or the Channel Islands. They were thus not willing to include this metropolitan island in part 1 of the formula, which, as explained above, referred only to Italian overseas territories. Further, if the proposal was to include Pantelleria in part 2 of the formula, it might be pointed out that the British formula did not require any detailed information about the development of already existing bases, of which Pantelleria was one, but only about the establishment of new bases. After a full re-examination of the question, His Majesty's Government remained of the opinion that it was not one of sufficient importance to warrant its being reopened in the face of Italian opposition.

(6) *Naval Treaty.*

48. It was desired to obtain the accession of Italy to the treaty for the Limitation of Naval Armaments signed at London on the 25th March, 1936, in the negotiation of which she participated but which she refused to sign at the last moment. One of the great advantages, it was felt, which would result from Italian accession, would be that Italy would be technically prevented from disposing of her existing war vessels to other foreign Powers unless completely demilitarised, a point which had particular importance with reference to Spain.

49. In broaching the matter with the Italian Minister for Foreign Affairs at his opening interview on the 8th March, His Majesty's Ambassador recalled that when the matter had been mentioned on previous occasions Count Ciano had led him to believe that, when the appropriate moment arrived, Italian accession would take place. Lord Perth added that His Majesty's Government felt that Italian adherence to this treaty would be widely welcomed by world opinion and would contribute in no small degree towards the general appeasement which was aimed at. After consideration of the question by the Italian experts, Count Ciano informed Lord Perth, on the 2nd April, that Italy had decided to adhere to the treaty as soon as the protocol entered into force. He proposed that this decision should be conveyed to His Majesty's Government in the form of an exchange of letters to be annexed to the agreement. When making the foregoing communication Count Ciano made it clear that Italian accession to the treaty was subject to a verbal reservation. This was to the effect that the provisions of the treaty must not be held to apply as regards the construction of two eight-inch gun cruisers for Chile, in connexion with which Italy had for some time past been negotiating with the

Chilean authorities. Simultaneously, instructions were received to dissuade the Italian Government from proceeding with the negotiations with Chile.

50. Lord Perth accordingly lost no time in informing Count Ciano that His Majesty's Government were seriously concerned regarding the proposed reservation in connexion with the possible construction of the two eight-inch gun cruisers. He pointed out that the construction of such vessels by Italy, even if for the order of another Power, might upset the existing equilibrium in this class of vessels and lead to the disappearance of the cruiser holiday, which would be a very grave matter. Could not the Italian Government explain to the Chilean Government that when Italy entered into negotiations for such a contract the possibility of early accession to the London Naval Treaty of 1936 had not been envisaged? Lord Perth further pointed out that the Italian reservation in regard to the eight-inch gun cruisers would, even if we raised no objection to it, require the assent of the other parties to the treaty, and, furthermore, the fact that Italy would presumably thus be in a position in future to construct eight-inch guns at short notice would certainly arouse suspicions among other Powers as to her intentions. No argument availed, however, to move the Italian Government from their position. It is true that Count Ciano expressed doubt whether the contract would ever be concluded or the cruisers built in Italy, and further gave an undertaking to consider Lord Perth's suggestion that the Chilean Government should be asked to be content with six-inch gun cruisers.

51. In the meanwhile a draft suggested by the Italians for the proposed exchange of letters regarding the accession of Italy to the treaty had been examined in London. It was found unsatisfactory in two minor respects, namely, (*a*) it contemplated that Italian accession would take effect on the day on which the protocol entered into force, i.e., the day on which it was signed, whereas the Italian intention presumably was that accession should take effect on the day on which the instruments annexed to the protocol entered into force, i.e., on a date to be determined by the two Governments; (*b*) the Italian draft sought to provide for arrangements for the accession, a provision which was unnecessary since these arrangements were laid down in the treaty itself. Lord Perth accordingly presented a counter-draft, in which the above points were clarified. Count Ciano accepted both the explanations given and the draft itself, which appears as the second exchange of notes in the published text of the agreement (Cmd. 5726, page 30).[6]

52. After agreement had been reached on the draft text, Lord Perth made a further determined attempt to persuade Count Ciano to withdraw the reservation in regard to the Chilean cruisers. It proved impossible, however, to accomplish this, or to obtain any formal assurance from Count Ciano that the Italian Government would not proceed with the negotiations with Chile, although the Minister for Foreign Affairs gave a personal undertaking to do his best to see either that the calibre of the guns was changed or that the ships were built elsewhere. In fact, he went so far as to inform Lord Perth that His Majesty's Government need not feel concern about the ultimate construction in Italy of these ships, an eventuality which he himself regarded as more unlikely to materialise.

(7) *Palestine.*

53. The Italian attitude about Palestine was of importance to His Majesty's Government from three distinct points of view. In the first place there was the question of Italian propaganda in Palestine in regard to British policy in that territory—a question which loomed very large in the public eye during the period of acute Anglo-Italian tension preceding the opening of the conversations. It was clearly more convenient, however, to deal with this question from a general aspect than from a purely Palestinian angle, and the question of Italian propaganda in Palestine was therefore dealt with under the general propaganda formula which formed part of the agreement.

54. Apart from propaganda, Italian activities against the British position and against British policy in Palestine were somewhat difficult to define, although there was good reason to know that such activities had, in fact, taken place on a considerable scale. From their very nature it was difficult to bring this aspect of the matter within the scope of any clear-cut written agreement. Moreover, here again, it was perhaps reasonable to assume that if general Anglo-Italian relations were re-established on a satisfactory basis, such more or less subterranean activities would hardly prove necessary or profitable to Italy, while if Anglo-Italian relations did not improve no written agreement on the point was likely to prove of much value.

55. The third aspect of Anglo-Italian relations in regard to Palestine was that of the future. It was felt that Italy was in a position to develop a considerable nuisance-value in regard to the future policy of His Majesty's Government in Palestine if she wished to do so. It thus seemed clearly desirable to do everything possible to secure in advance Italian acquiescence in our future Palestine policy.

56. A simple formula was accordingly devised in London before the opening of the conversations, designed to secure an undertaking from the Italian Government that they would refrain from any attempt to create difficulties for us either in the framing of policy for, or in the administration of, Palestine, in return for an undertaking on our part to respect legitimate Italian interests in that country. This formula was presented to the Italian Minister for Foreign Affairs by His Majesty's Ambassador at his opening conversation. It was referred to the Italian experts, with whom the question was fully discussed on several occasions by Mr. Rendel.[12] It became apparent in the course of Mr. Rendel's discussions that, while the Italians were ready to promise to adopt a generally sympathetic attitude in return for any clear indication that His Majesty's Government intended, in their future policy, to maintain certain principles laid down in the mandate, they were not prepared to give His Majesty's Government anything in the nature of a blank cheque.

57. On the 19th March the Italian experts presented Mr. Rendel with a

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[12] Mr., later Sir George Rendel had been appointed H.M. Minister at Sofia on January 1 1938, but was not to take up his post until June of that year. In the interim he was sent to Rome in February to conduct that part of the Anglo-Italian negotiations dealing with the Red Sea and the Middle East. He described his part in the negotiations in his memoirs, *The Sword and the Olive* (London, 1957), Chapter 13.

draft formula in which the Italian Government, on their side, declared that they had no intention of creating difficulties for His Majesty's Government in Palestine, but required in return, that His Majesty's Government should tie their hands in various respects in connexion with the present administration of, and future policy in, that territory, and further should give certain positive undertakings to the Italian Government regarding specific Italian interests. On examination by His Majesty's Government this formula was found to be inacceptable, since His Majesty's Government were not willing to tie their hands in any way whatever as regards their future policy in Palestine. A new and anodyne formula was devised by which His Majesty's Government undertook to keep the Italian Government informed of their proposals for the replacement of the existing mandate and to give the Italians an opportunity of stating their views, while the Italian Government, on their side, undertook to adopt a sympathetic attitude towards the proposals of His Majesty's Government. The Italian experts were unwilling to accept this formula which, in their view, amounted to nothing since neither Government entered into any definite commitment. They accordingly suggested that the whole matter should be left in abeyance.

58. Count Ciano so informed Lord Perth on the 29th March. He declared his willingness, however, to exchange verbal assurances to the effect that Italy would do nothing to prejudice our position in Palestine, while we should state that we would respect legitimate Italian interests in that territory. Lord Perth then suggested to the Secretary of State that, in view of this initiative from Count Ciano, it might be possible to secure an exchange of semi-official letters embodying the undertakings which Count Ciano had proposed. It seemed probable that the Italian Government would consent to the use of such assurances in Parliament, although it might be difficult to persuade them to agree to publication.

59. His Majesty's Government saw no objection to an attempt being made to secure an exchange of letters on these lines, provided that the Italian Government were so approached that it was possible to to return to a verbal basis in the event of the Italian Government countering with some less acceptable text. When the proposal was accordingly made to him Count Ciano showed himself most reluctant to agree to the communication of the suggested assurances in a written form; he was, however, quite prepared to give and accept the assurances according to the wording suggested (provided that it should not appear therefrom that a bargain had been made), nor did he see any objection to the assurances being made public and utilised in Parliament. In order that there should be no doubt as regards the effect of Count Ciano's proposal, Lord Perth, on instructions, on the 8th April quoted to Count Ciano the text of the oral assurances which, as His Majesty's Government understood, a member of His Majesty's Government would be able to make public on this subject in Parliament. Count Ciano concurred. The text of these assurances was initialled at the signing of the agreement on the 16th April. Since this text was regarded as confidential until such time as the assurances should have been actually quoted in Parliament and was thus

not included in the published agreement, a copy is annexed to the present memorandum for facility of reference.[13]

60. A point which arose towards the end of the negotiations on this subject threatened at one time to give rise to serious difficulty. Paragraph 2 of the British formula which was eventually accepted by the Italian Government stated, as originally drafted, that 'The Italian Minister for Foreign Affairs has assured His Majesty's Ambassador orally that the Italian Government will abstain from creating difficulties or embarrassments for His Majesty's Government in the administration of Palestine.' Count Ciano informed Lord Perth on the 9th April that, in order better to safeguard his position vis-à-vis the Arab world, Signor Mussolini would like this passage to read: 'The Italian Minister for Foreign Affairs has assured His Majesty's Ambassador orally that the Italian Government will abstain from creating difficulties or embarrassments for His Majesty's Government in the administration of *the mandate for* Palestine.' His Majesty's Government felt it impossible to agree to this specific reference to the mandate, since it might imply that His Majesty's Government would not be surprised if the Italian Government were to attempt to create difficulties or embarrassments for them in regard to Palestine in the absence of the existing mandate. In other words, they were prepared to agree to the phraseology desired by Signor Mussolini provided that the words 'the mandate for' were omitted. A request for the omission of these words seemed likely to lead to difficulties, since it was understood that a mention of the mandate was a point to which Signor Mussolini personally attached great importance. It was apparently desired to safeguard the Italian position in regard to future possibilities of a solution of the Palestine question which might not be in accordance with the general principles laid down in the Covenant for mandated territories. Lord Perth argued the question closely with Count Ciano, who informed him on the eve of signature that Signor Mussolini agreed to the omission of any mention of the mandate.

61. As explained in the section dealing with Syria, an assurance was obtained from the Italian Government that they clearly understood that His Majesty's Government could not in any circumstances admit that the Mediterranean declaration of 1937 precluded the termination or the variation of the Palestine mandate.

(8) *Syria.*

62. Although the Italian attitude towards the alteration or variation of the mandate for Syria was not primarily a concern of His Majesty's Government, it was felt that any difficulty which might eventually arise between France and Italy over this question could not fail to have an unsteadying effect upon Anglo-Italian relations, even after a general settlement had been effected. While it was left to the discretion of His Majesty's Ambassador how and when to discuss the matter, it was felt that the most helpful method of approach would be to raise the problem as arising out of the Mediterranean

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[13] *Note in original*: Not printed.

declarations, and to say that we assumed that any arrangement concluded by the League for the termination of the present Syrian mandate would not be objected to by the Italians as an alteration of the status quo in the Mediterranean. In further explanation of the appearance of Syria on the agenda of the conversations it may be recalled that Lord Perth's original instructions laid down that in any event His Majesty's Government would bear in mind the necessity that any negotiations which we undertook should not result in prejudicing in any way French interests in Syria but rather that everything possible should be done to safeguard these interests.

63. It became clear from the moment when the question was first broached with the Italian Government that any attempt to obtain assurances in regard to Syria would meet with the greatest opposition on their part. The reason, as it soon transpired, was that Signor Mussolini would not hear of France being brought directly or indirectly into the conversations between Italy and the United Kingdom.

64. Meanwhile a formula had been devised which, with a view to meeting Italian susceptibilities as far as possible, took the form of a joint declaration concerning Syria by His Majesty's Government and the Italian Government (instead of a unilateral declaration by the Italian Government) and which further carefully omitted any direct reference to the French Government. This formula stated that the two Governments agreed that they would not oppose or seek to disturb any alteration which might be approved by the Council of the League of Nations in the status of the territories of the Levant at present under French mandate. When this formula was presented to Count Ciano it received a cold reception. It was then pointed out to Count Ciano that the Italian experts, in conversation with Mr. Rendel, had argued that the Italian Government might possibly object to any change in the Syrian mandate, having regard to the passages in the Mediterranean declaration concerning the maintenance of the status quo. This argument was not admitted by His Majesty's Government as valid, but since the Italian experts had put it forward, it had to be taken into account. Count Ciano undertook, in view of these explanations, to reconsider the matter, indicating that since Italy had no interest whatsoever in Syria it might be possible to give verbal assurances that she had no objection to such changes as the formula indicated.

65. At a later stage the question of Syria became to some extent linked with that of Palestine. In regard to the latter, the Italian Government, while unwilling to give any written assurances, declared their readiness to give oral assurances that they would abstain from creating difficulties or embarrassments for His Majesty's Government (see paragraph 59 above). On the 2nd April Count Ciano indicated that he would be ready to give Lord Perth orally assurances that the Italian Government would take up a similar attitude towards Syria as that which they were prepared to adopt in the case of Palestine. On a later occasion (the 9th April) Count Ciano spontaneously reverted to the question and repeated his former statement, while making it clear that the assurances in the case of Syria were of a private nature and must not be made public. His Majesty's Government, however, were most anxious

that the French Government should be enabled, if necessary, to publish the assurances given. Lord Perth argued the point closely with Count Ciano, but was unable to move him from his previous attitude, although Count Ciano intimated that when the time came for negotiations with France there would be no difficulty in dealing with the Syrian question.

66. In informing Count Ciano that we were prepared to drop our request that the oral assurances in regard to Syria should be able to be made public, Lord Perth reverted to the question mentioned in paragraph 64 above, namely, the possibility that the Italian Government might object, by reason of the status quo provisions of the Mediterranean declaration, to the termination or variation of either the Palestine or the Syrian mandates. Lord Perth asked for an assurance, both as regards Palestine and as regards Syria, that the Italian Government clearly understood that His Majesty's Government could not in any circumstances admit that the Mediterranean declaration precluded the termination or the variation of these mandates. Count Ciano made no difficulty in giving the assurances as regards Palestine, but was willing only to give private assurances that this applied to Syria.

(9) *Arabia.*

67. The negotiations with Italy which resulted in the signature, as annex 3 to the protocol, of the agreement regarding certain areas in the Middle East, owed their origin mainly to the obscurities and uncertainties of the Rome understanding of 1927;[14] this document, which was of great value at the time, was inevitably somewhat loosely drafted. It implied that there was to be what the Italians have described as a 'close parallelism' of policy between Great Britain and Italy in Arabia, and —although this was not stated in terms—suggested that the territorial status quo as it existed in 1927 was to be maintained not only on the Red Sea coast, but also in the whole of 'Southern Arabia.' The negotiators of the Rome understanding of 1927 seemed to have taken no steps to safeguard the British position in Southern, South-Western and South-Eastern Arabia, and, although 'Southern Arabia' was twice referred to in that instrument, no mention was made of Aden or the Aden Protectorate, and no indication was given of the limits of the areas falling within the British zone. It even seemed possible that the negotiators of the agreement completely overlooked the existence of the Anglo-Turkish Convention of 1914, establishing the boundary between the Turkish and British spheres in Southern and South-Eastern Arabia.

68. As a result partly of these uncertainties and partly of the extreme tension which developed between Great Britain and Italy during the Ethiopian war, the forward policy which His Majesty's Government were obliged to adopt in the Aden Protectorate as a result of recent developments in that area led to increasing friction with Italy. Moreover, His Majesty's Government had considerable cause to be suspicious of Italian activities in the Yemen, where the internal situation was precarious and the possibility of

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[14] See No. 44, note 4.

Italian intervention, and possibly of eventual Italian political penetration, could not be excluded. For these reasons it had in any case become desirable to try to reach some understanding with the Italians, offering some better guarantee than that provided under the Rome understanding of 1927, that Italy would not establish herself in the Yemen, where her presence might have been a cause of serious embarrassment to His Majesty's Government, and at the same time providing that she should formally recognise the British position in the British zones of Southern and South-Eastern Arabia, which she had hitherto refused to do.

69. The Italians themselves appeared no less nervous of British activities in the Aden Protectorate and of possible British political ambitions in Saudi Arabia and certain Red Sea islands than His Majesty's Government were of Italian activities and designs in the Yemen. They fully realised that the Rome understanding of 1927 was obscurely worded and no longer entirely applicable, and as early as 1934 they pressed strongly that the whole question of Anglo-Italian relations in Arabia and the Middle East should form the subject of discussion in Rome. In 1937 they again pressed for such discussions in connexion with their complaints that British action in the Hadramaut was at variance with the terms of the Rome understanding of 1927; and it became clear in the course of that year that this question would have to be included in the agenda for any general Anglo-Italian conversations. It therefore figured among the questions for discussion which His Majesty's Ambassador presented to the Italian Minister for Foreign Affairs in the course of their opening conversation on the 8th March. As the subject was extremely complicated and involved special knowledge of Eastern questions, it was arranged that Mr. Rendel should go out to Rome to deal with the matter.

70. During the first stage of Mr. Rendel's conversations with the Italian experts on the subject, between the 15th March and the 19th March, the main object on the British side was to secure Italian recognition of the British position and of British exclusive rights in the zone of Arabia lying to the south and east of the frontiers established under the Anglo-Turkish Convention of 1914. This proved a matter of great difficulty and led to endless discussions, as a result of which, however, the Italians seemed to be somewhat shaken. Nevertheless, the Italians took the line that they could hardly be expected to recognise the exclusive claims of His Majesty's Government over this vast area—of the existence of which they had (so far as could be seen) been genuinely unaware at the time of the conclusion of the Rome understanding of 1927—without some kind of *quid pro quo*. In particular, they showed great nervousness at what they described as our apparent intention to convert what had been a loose collection of independent tribal States in purely negative treaty relations with His Majesty's Government—e.g., bound to cede territory—into what would amount to a highly-organised Crown colony, which might seriously alter the strategical position in the Middle East.

71. The whole question was thoroughly examined in London between the 21st March and the 26th March at a series of meetings which Mr. Rendel returned from Rome to attend, and at which he was able to explain what

seemed to underlie the Italian attitude. As a result of these meetings it was possible to prepare a draft agreement—on the basis of a preliminary draft which Mr. Rendel had himself suggested from Rome a week earlier—which seemed likely to meet the main Italian desiderata, while at the same time giving His Majesty's Government the security and recognition they required.

72. Discussions were resumed with the Italian experts in Rome on the 28th March, when the British draft of the proposed agreement was presented to them. The main Italian objections to this draft were: firstly, that it was virtually terminable at any time on six months' notice, so that it gave no guarantee of stability; secondly, that it referred in terms to the Anglo-Turkish Convention of 1914, which the Italians were not disposed to recognise as a valid instrument, particularly as it was not accepted as such by either Saudi Arabia or the Yemen; thirdly, that the economic and commercial rights conceded to Italy in the Aden Protectorate were illusory, since they were dependent upon rights granted to other foreign countries, while, in fact, no such rights had yet been granted at all; and, fourthly, that owing to the differentiation between the provisions of the draft agreement regarding the Red Sea coast and those regarding the hinterland, the ostensible object of the agreement, which was—in the Italian view at any rate—to set up a kind of 'ring-fence' round the territory at present occupied by Saudi Arabia and the Yemen, would be largely defeated, since there would be, so to speak, a gap in that fence in the north and east, where His Majesty's Government were not prepared to give any sort of guarantee against States under their protection or in alliance with them eventually acquiring any part of Saudi territory.

73. The discussions on these various points were at times extremely difficult, more especially as time was very short, and points which had to be referred to London affected so many departments of His Majesty's Government that it was often difficult to get replies sufficiently quickly to prevent the Italians from raising new points in the interval. Moreover, some of the Italian arguments had a good deal of foundation, and it was only necessary to visualise a situation where the positions might have been reversed to realise how easily we ourselves might have taken up the same position as the Italians, had we been in their place. A serious source of difficulty was the anxiety of His Majesty's Government to keep their hands as free as possible in the event of an entirely new situation developing, e.g., as a result of events in Palestine, while endeavouring, at the same time, to commit the Italians to a number of obligations. These difficulties, indeed, became so serious that on the evening of the 7th April it looked as though a deadlock had been reached, and as though the whole agreement might break down.

74. Fortunately, however, it was possible to devise a draft on what was then the most serious point of difficulty (article 3), which was telephoned to the Foreign Office on the morning of the 8th April, and which His Majesty's Government were able to approve at midday on the 9th April. This draft (article 3 in the new agreement) was accepted by the Italians on the evening of the 9th April, and thus enabled complete agreement to be reached that evening.

75. The only difficulty remaining was due to the desire of the Italians to insert, in article 3, an explanatory phrase about the vital importance of British and Italian communications through the Red Sea, which they took from the draft of the proposed declaration regarding the Suez Canal in the form first presented to the Italian Government and accepted by them. This draft, as explained in paragraphs 108–112 below, was later found open to objections from the Egyptian point of view, and was eventually modified. This involved a consequential suppression of the analogous formula concerning the Red Sea in the Arabian agreement. But, apart from this point, no serious further difficulty was encountered.

76. To the foregoing paragraphs, which are based on a memorandum by Mr. Rendel, written in Rome on the 10th April, when virtual agreement had already been reached on the text, it is only necessary to add, for the purposes of the present memorandum, that it was indicated to the Italian Government that some agreement would eventually be required with the Netherlands Government in order to regularise the arrangements regarding the Italian medical officer at Kamaran, in which the Netherlands Government had signified their concurrence towards the end of the negotiations. It may also be recorded that the text of the proposed Middle East Agreement was brought on the 9th April to the notice of the Egyptian Prime Minister, who informed His Majesty's Ambassador at Cairo that he warmly welcomed it.

77. For completion of record the texts are annexed to the present memorandum of the two confidential exchanges of notes which formed part of the agreement, but were not published,[13] concerning (*a*) the eastern and southern frontier of Saudi Arabia and the Yemen, and the recognition by His Majesty's Government in the future of territory beyond that frontier as belonging to one or other of those States, and (*b*) the provisions regarding an Italian medical officer at Kamaran.

(10) *Propaganda.*

78. One of our chief complaints against the Italians during the period before the opening of the conversations was the propaganda which they had instituted overtly and covertly against British policy, British character and British institutions. It was accordingly desired that any final agreement should include formal assurances as to propaganda generally.

79. At his opening conversation, Lord Perth expressed to Count Ciano the hope that, at any rate during the period of the conversations, propaganda through the Bari broadcasts and in the Italian press would cease. Such propaganda had, indeed, as Count Ciano pointed out, already practically stopped, and from that moment there was no ground for complaint. It may be worth recording Count Ciano's remark in the course of the conversations, that such propaganda was a consequence and not a cause of Anglo-Italian difficulties, and his statement that, if agreement were reached, broadcasting, &c., might even be used in a sense favourable to us.

80. At Lord Perth's suggestion, it was decided to propose to the Italian

Government the inclusion of a statement regarding propaganda among the annexes to the protocol. The formula which appears in the agreement as the declaration contained in annex 4 to the protocol was suggested to the Italian Government on the 15th March and accepted by them without demur, subject to minor drafting amendments.

81. It may be added that Lord Perth took the opportunity under this heading of the agenda to draw Count Ciano's attention to an anti-French broadcast from Bari, with the remark that such attacks did not make the position of His Majesty's Government any easier.

(11)(*a*). *Recognition of Italian Sovereignty over Ethiopia.*

82. (See paragraphs 16–17 and 26–32 above.)

(11)(*b*). *'Bon-Voisinage' Agreement.*

83. The attitude of the Italian Minister for Foreign Affairs before the opening of the conversations showed clearly that he was opposed to the inclusion of boundary questions among the Ethiopian matters appearing on the agenda, and that in his view it would be sufficient for the present to conclude an agreement of 'bon-voisinage,' which would allow matters to function smoothly as between Italian East Africa and British and Sudanese territory, until the final boundary arrangements had been settled between the experts. A draft for a 'Bon-Voisinage' Agreement was accordingly drawn up in London, and, after a slight amendment at the instance of His Majesty's Ambassador, was presented to the Italian Government on the 27th March. It was accepted by Count Ciano after consultation with the Italian experts. The effect of this agreement, which was concluded between (1) the Italian Government, (2) the Government of the United Kingdom in respect of Kenya and British Somaliland, and (3) the Government of the United Kingdom and the Egyptian Government in respect of the Sudan, was to provide for co-operation for the preservation of good neighbourly relations between these territories, and in addition for discussion of detailed frontier questions as provided in the protocol; it was also specified that these good neighbourly relations should aim at preventing evasion of the anti-slavery laws of the respective territories.

84. Before the British draft was ready to hand to them, the Italian Government had put forward a draft of their own. It was unsatisfactory, since, firstly, it made no mention of Egypt, and it was necessary that the Egyptian Government should be a party to the agreement in respect of the condominium of the Sudan; secondly, it contained a clause, providing for the maintenance of order, &c. along the frontiers, which was felt to be far-reaching and difficult to execute in practice; and, finally, it contained no mention of the question of slavery. The Italian Government made no difficulties about withdrawing their draft, and accepting the British draft in its place.

85. At a later stage the Italian experts proposed three additional clauses to the British draft. The first two, relating (*a*) to the second point mentioned in the preceding paragraph, and (*b*) to economic matters, were found entirely inacceptable, and the Italian Government were asked to withdraw them, which they agreed to do. The third additional clause provided that deserters, &c., from one of the territories concerned should not be enrolled in the native troops, &c., maintained in the other territories. This proposal was considered to be harmless and possibly even advantageous from the British point of view. Subject to drafting amendments, it was accordingly accepted, and it figures in the signed text of the 'Bon-Voisinage' Agreement as the final paragraph.

86. It was from the first contemplated that the Egyptian Government, as co-dominus for the Sudan, should be associated with the signature of the 'Bon-Voisinage' Agreement. The Italian Government, to begin with, were inclined to dislike this idea, wishing to keep the whole settlement on a purely Anglo-Italian basis. They eventually agreed to Egyptian association, on the understanding that the 'Bon-Voisinage' Agreement was published at the same time as the protocol and other documents. The Egyptian Government were consulted in regard to the text of the draft agreement and raised no objection to it.

87. At the eleventh hour, however, the Egyptian Prime Minister, in view of the hostile attitude towards the agreement manifested by the Wafd, intimated his desire for closer association of Egypt with the Anglo-Italian Agreement. One of the Egyptian Prime Minister's desiderata was that the 'Bon-Voisinage' Agreement should form an annex to the protocol and that the Egyptian Government should be mentioned in the protocol as having been invited to participate in that agreement. It was found quite impossible to agree to this request, since the 'Bon-Voisinage' Agreement was a tripartite arrangement, whereas the protocol concerned the United Kingdom and Italy alone. In the event the Egyptian Government agreed to separate signature of the agreement as originally proposed.

(11)(*c*). *Lake Tsana*

88. Lord Perth's original instructions contemplated that an attempt should be made to obtain from the Italian Government a clearer definition of the rights of His Majesty's Government in respect of Lake Tsana. It was considered essential that the Egyptian Government should participate from the start in any discussions with the Italian Government, and it was contemplated that in the later stages they would be fully associated with any negotiations on the subject.

89. A formula for a declaration on this subject was presented to the Italian Minister for Foreign Affairs on the 15th March. This formula was accepted by the Italian Government and appeared without alteration as the declaration which forms Annex 5 to the protocol.

90. The Italian Minister for Foreign Affairs was at first inclined to ask that the Italian obligations towards His Majesty's Government in the matter of

Lake Tsana should be defined more closely. A new formula to meet the Italian suggestion was actually drafted, but was never presented, since in the meantime Count Ciano appeared to have forgotten his original suggestion and it was further feared that any closer definition of the obligations of the Italian Government in this matter might lead to difficulties of interpretation in the future.

91. The draft declaration was communicated confidentially to the Egyptian Government at the beginning of April. The Egyptian Prime Minister intimated that he would like a similar declaration from Italy to Egypt. Lord Perth suggested that the Egyptian point of view might be sufficiently met if the Italian Minister for Foreign Affairs communicated the Lake Tsana declaration in a formal letter to the Egyptian Minister at Rome, who would take note of the terms of the letter, adding that the matter was one of particular interest to the Egyptian Government. The Egyptian Prime Minister agreed to this procedure on the 11th April, and the Italian Government also accepted it.

92. The internal difficulties in Egypt, already alluded to, led the Egyptian Prime Minister at the eleventh hour to insist that Egypt should obtain a direct assurance in regard to Lake Tsana. The Egyptian Prime Minister represented strongly to Sir Miles Lampson that it would place him in an impossible position if the Italian declaration were simply communicated to the Egyptian Government as proposed. He wished that a paragraph should be added to the declaration to the effect that the Italian Government declared that they gave to the Egyptian government, as regards the régime of Lake Tsana, assurances identical with those given to the Government of the United Kingdom by the declaration.

93. Since information regarding the attitude of the Egyptian Prime Minister only reached Rome on Good Friday evening, less than twenty-four hours before the agreement was due to be signed, the ensuing negotiations were conducted at high speed, and the final stages of the arrangement eventually adopted were settled by direct communication between His Majesty's Embassies at Rome and Cairo. Lord Perth immediately got into touch with the Italian Government, and ascertained that they would probably be willing to agree to the procedure desired by the Egyptian Prime Minister. They would, however, wish to add to the suggested Italian declaration to Egypt a caveat to the effect that it was understood that this declaration did not imply for the Italian Government any new or additional obligation whatsoever beyond those deriving from the declaration made to His Majesty's Government. It further appeared that the Italians would require that His Majesty's Government should make an analogous communication to the Egyptian Government, equally recording the Italian declaration to His Majesty's Government, and adding that His Majesty's Government for their part agreed that the Egyptian Government should benefit from the assurances given to His Majesty's Government in the declaration.

94. In the meantime, the Secretary of State had communicated by

telegraph to His Majesty's Ambassador at Cairo a suggestion that the Lake Tsana declaration should be extracted from the annexes to the protocol, and that a separate tripartite declaration on this subject should be negotiated as soon as might be possible. It was further proposed that His Majesty's Government and the Italian Government should place on record, in a document to be signed with the other documents on the 16th April, a statement to the effect that the matter of Lake Tsana had been amicably discussed and would further be pursued, in conjunction with the Egyptian Government, in the near future.

95. Before this telegram was received in Rome Lord Perth had informed the Foreign Office of the procedure described in paragraph 93 above, to which he had reason to believe that the Italian Government were prepared to agree. His Excellency pointed out that this procedure was surely much to be preferred from the Egyptian point of view, and suggested that the statement which it was proposed to substitute for the Lake Tsana annex would have the effect of placing the Egyptian Government in a secondary position, which, it was understood, was precisely what the Egyptians wished to avoid. The Italian Government themselves much disliked the Foreign Office suggestion and considered that the proposed statement would inevitably suggest that a hitch had occurred. It was further pointed out to the Foreign Office that, quite apart from other considerations, it might prove materially impossible to alter the texts in time to enable signature of the whole agreement to take place on the date which had been announced. Lord Perth obtained authority to proceed along the lines he had suggested provided that the matter could be arranged direct with His Majesty's Ambassador at Cairo.

96. When communication was eventually established by telephone with the Embassy at Cairo (at 2 A.M. on the morning of the day fixed for signature) it was discovered that the Egyptian Prime Minister had already been approached in the sense suggested by the Foreign Office and that he had accepted the proposal for excluding the Lake Tsana declaration from the protocol and substituting a statement that the matter would be further pursued in conjunction with the Egyptian Government in the near future. The Embassy in Cairo undertook, however, to reopen the matter with the Egyptian Prime Minister at the earliest possible moment and to suggest the procedure proposed by Lord Perth. They were asked to send a reply, if possible, by noon the same day, since otherwise there would not be time to make the necessary changes in the exchange of notes. A message came through shortly after noon. It was to the effect that the Egyptian Prime Minister was unable to accept the proposed wording of the notes in which it was suggested that the Italian Government and His Majesty's Government should communicate the declaration to the Egyptian Government. He desired the omission of the passage in the Italian note stating that the declaration did not imply for Italy any new or additional obligations, and he required that the first paragraph of the Italian and British notes should state that the assurances given to His Majesty's Government in the Lake Tsana declaration should apply equally to the Egyptian Government. Lord Perth

immediately got in touch with the Italian Government and obtained their concurrence in these alterations. It was accordingly possible to sign the exchange of notes as amended together with the rest of the agreement on the 16th April, and to publish it with the other documents in which Egypt participated (exchange of notes between the United Kingdom, Egypt and Italy regarding Lake Tsana on p. 34 of Cmd. 5726).[6]

(11)(*d*). *The Raising of Native Armies*

97. It was decided before the opening of the negotiations that it was desirable on every ground to prevent, if possible, the raising of a native army in Ethiopia by the Italian authorities; and Lord Perth's original instructions suggested that he should press the Italian Government strongly to reaffirm to His Majesty's Government the assurance which they gave in their note to the League of Nations on the 29th June, 1936,[15] that Italy for her part was 'willing to accept the principle that natives should not be compelled to other military duties than local policing and territorial defence.'

98. At his opening interview His Majesty's Ambassador approached the Italian Minister for Foreign Affairs accordingly. The Italian Government accepted without difficulty the formula proposed (which is that appearing in the agreement as Annex 6 to the protocol—declaration regarding the military duties of natives of Italian East Africa), subject to the insertion of a phrase to make it clear that the natives concerned were only those of Italian East Africa.

99. The Egyptian Government were informed of the agreement reached on this point.

100. Count Ciano having pointed out, when the matter was first broached to him, that the British formula did not preclude the enlistment of volunteers, provided no compulsion was used, it was at one moment contemplated that an attempt might be made to obtain an assurance from the Italians which would preclude the raising of unlimited volunteer forces in Ethiopia. This suggestion, however, was found on further examination to present considerable difficulties and was accordingly not pursued.

(11)(*e*). *Treatment of Missionaries in Ethiopia*

101. His Majesty's Ambassador's original instructions mentioned the desirability of reminding Italy of her obligations deriving from the convention signed at Saint-Germain on the 10th September, 1919, concerning the work of missionaries (revising the General Act of the 26th February, 1885, and the General Act and Declaration of Brussels of the 2nd July, 1890). Article 11 of that convention was invoked in Parliament on the occasion of the expulsion by the Italian Government, in the spring of 1937, of British missionaries from Ethiopia. It was doubtful whether the article was really applicable in that particular case, owing to the fact that His Majesty's Government did not recognise the Italian position in Ethiopia. With such recognition, however,

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[15] See Volume XVI, No. 390.

Italian obligations under this article would become applicable to Ethiopia. Lord Perth accordingly took an early opportunity of handing Count Ciano a formula stating that His Majesty's Government desired to obtain from the Italian Government a declaration that it was their intention to apply article 11 of the Saint-Germain Convention (Missionaries) to Ethiopia.

102. The Italian Government were unwilling to commit themselves as regards the application of the Saint-Germain convention. In rejecting the British formula Count Ciano contended that in the view of the Italian Government the application of the convention, which was in any case vague, to Ethiopia was juridically doubtful, and stated that the Italian Government would much prefer to arrive at direct arrangements with His Majesty's Government on the subject. On their side the Italians proposed a formula, in which the Italian Government declared their intention of assuring the free exercise of religious cults to British subjects in Italian East Africa, and their readiness to examine requests in connexion with other activities of British religious bodies, subject to the general line of policy of the Italian Government and the legislation in force on the subject. In explanation of this formula, Count Ciano informed Lord Perth that, while there would be no difficulty about purely religious activities, the Italian Government could not admit the establishment of schools by missionaries of nationality other than Italian.

103. Lord Perth attempted, without success, to persuade the Italian Government to agree to the inclusion of a reference to the Saint-Germain Convention in the formula for the suggested declaration. On examination of the question in London it was decided that the Italian formula could be accepted, provided that it contained a sentence at the beginning making it clear that the declaration was made 'without prejudice to any treaty engagements which may be applicable.' The Italian Government agreed to the insertion of a sentence to that effect, which accordingly figures in the text of the declaration forming annex 7 to the protocol (declaration regarding the free exercise of religion and the treatment of British religious bodies in Italian East Africa).

(11)(*f*). *British Trade and other Interests in Ethiopia*

104. It was eventually decided that this question should not be treated as one of the separate Ethiopian questions as originally proposed, but should be dealt with by means of a clause forming part of the protocol itself. The negotiations on the subject are accordingly described under the heading of the protocol in paragraph 13 (iii) above.

(12). *Suez Canal*

105. The question of the Suez Canal presented as much difficulty as any other question discussed, although the actual negotiations with the Italians

ran comparatively smoothly. The question may be said to have developed in three phases.

Phase 1. Steps leading to agreement with the Italian Government in regard to the first British formula.

106. This question did not figure among the questions for discussion originally presented to the Italian Government, and was, in fact, the sole item which the Italians asked to be added to the agenda. The Italian Minister for Foreign Affairs informed His Majesty's Ambassador on the 18th March that he would like the agreement to contain something about the Suez Canal. He stated that all the Italian Government wished to secure was a reaffirmation of the Constantinople Convention of the 29th October, 1888, by which the free use of the Canal was guaranteed for all nations, and that they had no idea of asking for any share in the defence of the Canal. The Italian proposals on the subject were put forward in a formula stating that the Italian and British governments, considering that the Suez Canal was an essential means of communication between their metropolitan and imperial territories, confirmed their engagement to respect the rules laid down by the Constantinople Convention of 1888, particularly as regards certain provisions, namely, liberty of access and transit, the neutralisation of the Canal and the prohibition of the exercise of the right of blockade. His Majesty's Government accepted, in principle, the Italian proposal for the inclusion in the agreement of a declaration on the subject, but considered that, if possible, the declaration should take the form of a simple reaffirmation of the 1888 Convention as a whole without particular mention of any of its provisions. On the 24th March, the Secretary of State communicated to His Majesty's Ambassador three alternative texts for use in discussion with the Italian Government. Lord Perth did not find it necessary to avail himself of the third alternative text, on which he had authority to fall back in the last resort, and which, with a view to meeting the Italian desiderata, specifically mentioned certain provisions of the convention as included in the reaffirmation. His Majesty's Government were particularly anxious not to insert in the proposed declaration anything which might purport to interpret the convention, and were in any case not willing to agree to a further enumeration of specific points.

107. Keeping this draft in reserve, Lord Perth on the 27th March submitted to Count Ciano the other two alternative texts. Both of them stated that the Governments of the United Kingdom and the Italian Government reaffirmed their intention always to respect and abide by the provisions of the convention signed at Constantinople on the 29th October, 1888, which guaranteed at all times and for all Powers the free use of the Suez Canal. Both drafts also had a preamble; in the case of (*a*) the first draft, this consisted of the words: 'In view of the fact that the Suez Canal is an essential means of communication for both Governments'; in the case of (*b*) the second draft: 'In view of the fact that the Suez Canal is an essential means of communication between the United Kingdom and British territories overseas and between

Italy and Italian territories overseas.' After consultation with his experts, Count Ciano, on the 29th March, informed Lord Perth that he accepted the second draft (*b*).

Phase 2. Objections raised by His Majesty's Ambassador at Cairo to the First British Formula.

108. On the 1st April His Majesty's Ambassador at Cairo was informed of the agreement reached with the Italian Government on this question and was asked to acquaint the Egyptian Prime Minister with the position. Lord Halifax anticipated that the Egyptian Government would probably wish to be associated with the declaration, a proposal to which it was reasonable to assume that the Italian Government would raise no objection. Lord Perth the following day took an opportunity of warning Count Ciano that Egyptian participation would probably be required.

109. Sir Miles Lampson saw grave objection to the wording of the proposed declaration. In his opinion, it struck at the whole strategical basis of our special position in Egypt, seeing that article 8 of the Anglo-Egyptian Treaty, by which Egypt authorised the maintenance of British troops in the vicinity of the Canal until such time as Egypt could herself ensure its entire security, specifically used a form of words similar to those employed in the preamble to the suggested declaration. In Sir Miles Lampson's opinion, we appeared to be in process of admitting that Italy had precisely similar grounds as ourselves for claiming to protect the Canal until Egypt could do so herself, and he foresaw a danger that Italy, with such a declaration in her possession, might be able to claim a recognised and special position.

110. As Lord Perth pointed out, the Italian Minister for Foreign Affairs had stated that the Italian Government had no idea of asking for any share in the defence of the Canal—a remark which had been made spontaneously by Count Ciano, in order to allay any apprehensions which might have been caused by British newspaper articles alleging that the Italian Government had the intention of asking for participation in the defence of the Canal. As the formula had already been handed to Count Ciano, and accepted by him, any modification of its text would arouse grave suspicion in the mind of the Italian Government as to the future intentions of His Majesty's Government in regard to the Canal. Lord Perth further pointed out (1) that the position would surely be altered with a friendly Italy; (2) that the position of Italy and ours as regards Egypt generally, and the Suez Canal in particular, appeared to be completely different, since we were Egypt's ally and had declared publicly that we should defend her territory against acts of aggression by a third Power, whereas Italy was not Egypt's ally and, having made no such declaration, had no such claim to defend the Canal, which was in Egyptian territory; and furthermore (3) to declare that the Canal was an essential means of communication between Italy and Italian territories overseas was to state an indisputable fact. Lord Perth further suggested that it might help matters if on a suitable occasion he informed Count Ciano that His Majesty's Government had noted his verbal assurances that the Italian Government

had no intention of asking for any share in the defence of the Canal. An opportunity was, in fact, taken to remind Count Ciano of that assurance, and to say that His Majesty's Government had been acquainted with its terms; but in the event it was decided that to seek further confirmation of the Italian assurance would be inadvisable.

111. His Majesty's Ambassador at Cairo (who in the meantime had suspended action as regards informing the Egyptian Government of the proposals in connexion with the Canal), advanced further arguments against the formula agreed with the Italian Government, and urged that the best solution would be a simple reaffirmation of the 1888 convention without any explanatory preamble. As an alternative, Sir Miles Lampson suggested that the formula might be sterilised by broadening its scope and diminishing the value of the references to the Canal as being 'essential' to Great Britian and Italy only. He therefore proposed, as an alternative to a simple reaffirmation, a draft containing a preamble beginning with the words: 'In view of the fact that the Suez Canal, whilst being an integral part of Egypt, is a universal means of communication.' After some further telegraphic exchanges, the Secretary of State and Lord Perth concurred. Sir Miles Lampson accordingly (on the 11th April) approached the Egyptian Prime Minister, who stated that he much preferred the formula containing a simple reaffirmation of the 1888 convention, but, if really necessary, would be prepared to accept the suggested alternative wording. The Egyptian Prime Minister also intimated that he would prefer that Egypt should be associated with the declaration.

112. Lord Perth, in the meantime, without entering into details, had warned Count Ciano that the formula already agreed upon would probably need some amendment. On the 13th April final instructions were received from the Foreign Office. These were to the effect that Lord Perth was to obtain, if possible, a formula containing a simple reaffirmation of the convention, and in the last resort to fall back on the alternative formula suggested by Sir Miles Lampson. The same evening Lord Perth approached Count Ciano and was able to obtain his acceptance of the proposal for a simple reaffirmation of the convention, which was accordingly included in the agreement as the declaration forming Annex 8 to the protocol.

Phase 3. Desire of Egypt for Closer Association in the Declaration.

113. The third phase of the negotiations concerned the desire of Egypt to be associated directly with the Anglo-Italian Declaration on the subject of the Canal. As indicated above, the Egyptian Prime Minister had from the beginning expressed the desire that Egypt should be associated in some way with the proposed declaration. On 13th April, Lord Perth, in accordance with instructions received from the Foreign Office, agreed with Count Ciano that this association should be effected by means of the Italian Minister for Foreign Affairs and His Majesty's Ambassador communicating the declaration to the Egyptian Minister at Rome in the form of a joint letter, of which the latter should take note in associating the Egyptian Government with the declaration. It was later found more convenient from the point of view of

drafting and language that Lord Perth and Count Ciano should exchange identic but separate letters with the Egyptian Minister on the subject. Final agreement on this point was reached with the Italian Government on the 14th April.

114. At the eleventh hour, the Egyptian Prime Minister intimated that, owing to internal difficulties in Egypt, the Egyptian Government would require closer association with the Suez Canal Declaration (as well as with other questions already mentioned). The Egyptian Prime Minister at first requested that the Egyptian Government should be specifically mentioned in the protocol as having been invited to participate in the declaration regarding the Suez Canal (as well as the declaration regarding Lake Tsana and in the 'Bon-Voisinage' Agreement), and he further intimated that he would much prefer the declaration to be tripartite in form. In the last resort, however, he would agree to the declaration being communicated in its existing form to the Egyptian Government in separate identic letters by Lord Perth and Count Ciano as proposed; but if this were done, he would wish that the letters should state that the declaration was being communicated to the Egyptian Government 'as the territorial Power concerned' while the Egyptian Minister in his reply would state that the Egyptian Government took note of the intention of the United Kingdom and the Italian Government and, as the territorial Power concerned, associated themselves with it. Lord Perth immediately got in touch with the Italian Government and obtained their agreement to the insertion of the desired reference to Egypt as the territorial Power concerned and the texts of the notes were amended accordingly for signature as the exchange of notes between the United Kingdom, Egypt and Italy regarding the Suez Canal which is published on pp. 37–39 of Cmd. 5726.

Questions not appearing Formally on the Agenda for the Conversations

115. Besides the questions mentioned in the foregoing paragraphs there were certain questions, not included among the items on the agenda presented to the Italian Minister for Foreign Affairs, which were discussed with Count Ciano in the course of the conversations.

(a) *The future of Emperor Haile Selassie.*

116. His Majesty's Ambassador was given discretion in his original instructions to discuss with the Italian Government the financial situation and future of the Emperor Haile Selassie, and he accordingly broached the subject at his first interview with the Italian Minister for Foreign Affairs on the 8th March. Count Ciano's reaction was most discouraging. He stated that in no circumstances would Ras Tafari, whom the Italians regarded with the greatest contempt, be allowed to return to Ethiopia either as an independent authority or under Italian control and this applied equally to his descendants. As regards his financial future, Count Ciano indicated the possibility of some

financial provision, provided there were an adequate return, by which he presumably meant some renunciation by the Emperor of his present claims.

(b) *Slavery.*

117. In view of the very strong feeling in many quarters in the United Kingdom on the subject of slavery, it was felt desirable that some reference should, if possible, be made by the Italian Government to their obligations under the Slavery Convention, beyond those which would emerge from the Anglo-Italian Agreement itself. A helpful public statement on the subject was made spontaneously by the Italian Government early in April. Lord Perth took the opportunity to refer to this statement in conversation with Count Ciano, remarking that he felt sure that these references would have a good effect on public opinion in England. His Excellency also suggested that it would be helpful if information about the result of the anti-slavery measures which it was proposed to take could be published from time to time. Count Ciano seemed to think that there would be no difficulty in making arrangements accordingly.

(c) *Refugees and Deserters from Ethiopia.*

118. An opportunity was taken in the course of the conversations to mention the subject of Ethiopian refugees and deserters, a considerable number of whom were then in Kenya, British Somaliland, Palestine and Aden and some of whom would like to return to their own country. An assurance was sought that if so they would receive fair treatment and not suffer prejudice. The result of this *démarche* was an intimation from the Italian Minister for Foreign Affairs to His Majesty's Ambassador that, as regards deserters, any who entered Italian territories would be treated with the utmost severity; as regards refugees Count Ciano distinguished between chiefs and smaller people and indicated that each case must be treated on its merits. He accordingly suggested that if any Ethiopian refugees desired to return to Ethiopia, enquiries should be made by the British authorities in each particular case.

(d) *Specific British Interests in Ethiopia.*

119. In his opening conversation on the 8th March His Majesty's Ambassador referred to the desirability of a speedy settlement of certain current questions relating to specific British interests which for some time had been the subject of discussion between His Majesty's Government and the Italian Government, namely, the full implementation of the agreement regarding the buying out of the firm of Mohammedally,[16] a satisfactory solution of the matter of the expropriation of the Sudan Interior Mission and the case of the Ethiopian Motor Transport Company. At a later stage (the 8th April) Lord Perth made detailed representations in regard to the firm of Mohammedally, and the Minister for Foreign Affairs undertook to do his best on their behalf in the new spirit created by the conversations.

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[16] See No. 654, note 1.

(e) *Surrender of Extra-territorial Jurisdiction in Ethiopia, and Extradition.*

120. At the beginning of the conversations Lord Perth indicated to Count Ciano that it would be necessary at some stage to deal with these two points. No detailed proposals in connexion with the subject of extradition were made in the course of the conversations, but in regard to the surrender of extra-territorial jurisdiction in Ethiopia, a draft agreement to provide for this event on the recognition of Italian sovereignty in Ethiopia was handed to the Italian Minister for Foreign Affairs on the 2nd April. Count Ciano, who seemed to think that we should simply abandon our extra-territorial jurisdiction, as other countries had done, without any agreement, seeing that Italian sovereignty had been proclaimed over Ethiopia, was at first seriously troubled; his apprehensions were allayed when it was explained to him that the proposed agreement involved no political motives and was of a technical character.

P. J. DIXON

No. 663

The Earl of Perth (Rome) to Viscount Halifax (Received June 7)

No. 111 Saving: Telegraphic [*R 5343/23/22*]

ROME, *June 4, 1938*

My telegram No. 483.[1]

Count Ciano told me that he had had a long conversation with Signor Mussolini this afternoon, and that the latter had instructed him to speak to me fully and frankly about the present position as between our two countries.

The vital question was how and when the Agreement was to be brought into force. Signor Mussolini was most anxious that this should be effected at an early date. The Italian Government had scrupulously fulfilled every condition which it lay within their power to execute. By the 31st May over eight thousand men had been withdrawn from Libya, and the withdrawal was still continuing. The actual number was in excess of that to which he had pledged himself. As regards Palestine and propaganda generally he thought we could have no cause whatever of complaint. In the Spanish problem the Italian Government had fully accepted the British plan and had done their utmost to help towards progress. He understood from Count Grandi that the Soviet representative had now more or less also accepted the British proposals and that the plan would therefore receive general approval in the near future. In any event the Italian Government considered that they had done all they could to give effect to every condition of the Agreement. Signor Mussolini trusted that having in view the future relationship of our two countries recognition would follow comparatively soon. At the present time there was a rush of States to recognise. To-day the Argentine and Luxemburg had both asked for *agréments* for new diplomatic representatives. Italian public opinion, of which account must be taken, was again beginning to doubt British motives. Why, it was being said, does not Great Britain recognise, particularly since we have reached agreement on all outstanding points? What can her motives be for delay?

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[1] Of June 4, not printed. It briefly announced that an urgent message from Count Ciano would be reported fully in telegram No. 111 Saving. The conversation took place on the evening of June 3: cf. *Ciano's Diary*, p. 125.

I here interrupted Count Ciano to remark that this rush to recognise was mainly due to British action at Geneva.[2] Count Ciano admitted this, but stated that the effect of delay still remained. There would be great psychological value in the early coming into force of the Agreement. An engagement before marriage should not last too long. It was being put about that we were now determined not to bring the Agreement into force until negotiations between France and Italy had reached a successful issue. I observed that this was entirely untrue, and I had never had even a hint of such a policy from His Majesty's Government. Count Ciano pointed out that there were many people who were still anxious to stir up trouble and to prevent, if possible, the realisation of the Agreement. He therefore begged that I would place the situation before you, explain Signor Mussolini's real anxiety on the subject, and ask for an expression of your and the Prime Minister's views.

I replied that of course I would do this, but that he must remember that we had made the coming into force of the Agreement dependent on a settlement of the Spanish question. I here took the opportunity again to allude to the effect on public opinion of indiscriminate bombing. Count Ciano answered that as far as Italy was concerned she had done her utmost, but she could not be responsible for the action of other Powers. Could not the full acceptance by the Non-Intervention Committee of the British plan be regarded as a 'settlement of the Spanish question'? Since the Agreement had been signed some two months ago not a single man and not a single gun had left Italy for Spain. Nothing of this sort could be said about France. There was no doubt that the French Government had poured in supplies of every kind to help the Barcelona Government. After the Battle of the Ebro the situation at Barcelona was on the point of collapse.[3] The French at this juncture had furnished arms and munitions in such quantities that the Spanish position had again become less satisfactory. Not that this seriously troubled General Franco, but it could not but lead to longer resistance (the Barcelona Government could not hope, he observed, to take a successful offensive), and therefore to an unnecessary prolongation of the civil war. I observed that I thought that little of this material was of French origin, but Count Ciano contested my observation and said that the supplies were the price paid by the French Government for Communist and socialist parliamentary support. He reminded me that when conversations between France and Italy were opened an excellent spirit prevailed. Then came the French method of negotiation, the endeavour to turn bilateral into multilateral pacts, and the desire of France to secure pledges about Spain. Next the situation had deteriorated through the immense help in supplies sent to the Barcelona Government.

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[2] See No. 622, note 11.

[3] Cf. Thomas, *The Spanish Civil War*, pp. 800–802.

Spain was still the only material question which strongly divided France and Italy, but there was a psychological aspect of the situation which in fact had led to the interruption of the conversations and which would render a resumption difficult before a considerable time had elapsed. The French press had unceasingly represented that an agreement with France would mean a diminution of the force or even destruction of the Rome-Berlin axis and indicated that Signor Mussolini was under the heel of Berlin, anxious to escape from it, and therefore strongly desirous of an agreement with France at the earliest possible date. This infuriated the Duce, since the axis was the cardinal point in Italian policy and had even been strengthened during the last two or three months. Further, the French press had a peculiar knack of saying things which aroused Signor Mussolini to a state of fury. He had never found anybody to be so successful in such attempts before. He showed me an extract from *Aux Ecoutes* of last week which Signor Mussolini had told him to give me to read. I interpolated that the paper in question was a rag, but Count Ciano answered that this was just one instance out of many. The paragraph represented the Duce as crying and white with fury as a result of some talk with Herr Hitler. 'If,' Count Ciano said, 'I say "Good evening" to Monsieur Blondel the French press at once remark that I want to relieve German pressure on Italy'. These psychological reasons had in fact led to the interruption of the conversations, and until the French press and French public opinion abandoned the theory that an agreement between Italy and France meant a weakening of the Rome-Berlin axis Signor Mussolini would not conclude any arrangement between the two countries.[4]

Count Ciano said that he had spoken to me with the greatest frankness. During the conversations we had had together resulting in the Anglo-Italian agreement he had never said anything which could be taken as indicating a wish to diminish our friendship with France, and I had never said anything about weakening the Rome-Berlin axis. Monsieur Blondel had personally been most discreet, but the French press were quite intolerable. If the Italian press had declared during our negotiations that Italy intended through them to detach England from France probably the reaction in England would have been such that the conversations would have failed.

As I was leaving Count Ciano repeated how anxious Signor Mussolini was from the point of view of continued friendship between England and Italy which he earnestly desired that the Agreement should be brought into operation at an early date. He attached the greatest importance to the Agreement and to the friendship, and genuinely feared that these might be seriously weakened by delay.

Repeated to Paris No. 15 Saving By Bag.

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[4] The course of the Franco-Italian negotiations can be followed in *D.D.F.*, Series 2, volume ix; see particularly Nos. 160, 194, 195, 214, 217, 247, 260, 315, 351, 373, 379.

No. 664

Viscount Halifax to the Earl of Perth (Rome)

No. 350 Telegraphic [*W 7666/86/41*]

FOREIGN OFFICE, *June 17, 1938*

Your telegram No. 111, Saving.[1]

2. You should tell Count Ciano that I much appreciate the frankness with which he spoke to you on 4th June,[2] and share his anxiety that nothing should occur to impair the excellent effects of the signature of the Anglo-Italian Agreement, not only as regards our mutual relations, but also as regards the general European situation. His Majesty's Government readily acknowledge that the Italian Government have, for their part, faithfully fulfilled their side of the agreement by their withdrawal of troops from Libya, by their attitude towards Palestine, and in the cessation of propaganda, and they are, more particularly, grateful for the Italian attitude of helpfulness in matters connected with the Non-Intervention Committee.

3. His Majesty's Government are as anxious as the Italian Government to see the agreement enter into force as soon as possible, and, so far as they are aware, the only obstacle appears to be the settlement of the Spanish question. I wish to be entirely frank with Count Ciano on this point. As he must know from your note of 16th April,[3] we have always felt obliged, for reasons with which Count Ciano is familiar, to make quite plain that a settlement of the Spanish question must precede the entry into force of the agreement, and the Prime Minister has given definite pledges on this point. The difficulty remains of defining what constitutes a settlement of the Spanish question. British public opinion cannot be ignored. As Count Ciano will be aware, the agreement was not universally popular at the moment of signature. In the last fortnight the situation has deteriorated to a marked extent owing to the bombing of towns and ships in Spain (see my telegram No. 342 of 1st June),[4] for which the British public holds, rightly or wrongly, the Italian Air Forces in Spain in part at least responsible. It is therefore out of the question to discuss any waiving of the pre-condition on which the coming into force of the Anglo-Italian Agreement was made dependent.

4. As Count Ciano must know, it was always contemplated that something more substantial than the mere *acceptance* of the British plan would be required before the Prime Minister could represent it as a settlement. What we always had in mind was that, short of the victory of one side or the other, settlement in the sense of meeting the pledges given must be something which could be shown to have eliminated or be in process of eliminating the Spanish question as a source of international friction. This might be achieved in one of three ways:

(*a*) By the *execution* of the Non-Intervention Committee's plan.

Unfortunately there can be no doubt that even if both sides in Spain were to accept the plan unconditionally, considerable time must elapse before tangible results can be looked for.

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[1] No. 663.

[2] Should be June 3: see *ibid.*, note 1.

[3] See No. 662, paras. 30–32.

[4] Not printed.

(*b*) By the Italian Government, on the acceptance by the Non-Intervention Committee of the British plan, at once making a unilateral withdrawal from Spain.

Apart from other difficulties that this course might present, I fully understand all the difficulties that the Italian Government would be likely to feel in adopting it, more particularly as, in order sufficiently to impress public opinion here, withdrawal would have to be on a considerable scale.

(*c*) By bringing about an armistice.

Proposals in this sense were outlined in my telegram No. 133, Saving, to Paris,[4] of which you can give Count Ciano the substance. We have now received an affirmative reply from the French Government, who only attach certain conditions which, in our view, need not present any great difficulty. If such an armistice could be arranged with a reasonable prospect of its leading to the establishment of peace and with appropriate guarantees against the entry of supplies of men and material to either side during its continuance, and if thereupon substantial withdrawals of foreign nationals from Spain were effected, then His Majesty's Government would be prepared to regard that as a settlement of the Spanish question. And, on the strength of such settlement, would bring the Anglo-Italian Agreement into force. If the Italian Government were to lead the way in withdrawing a substantial number, His Majesty's Government would not think it necessary to await equivalent withdrawals from the other side, but would be prepared to consider that as constituting a settlement with the same consequences. His Majesty's Government would, moreover, hope that circumstances would then rapidly develop in such a way as to enable the Italian Government to regard the armistice as, in fact, terminating the Spanish Civil War, which according to the terms of the Anglo-Italian Agreement should be promptly followed by the complete and final withdrawal of Italian volunteers and war material. You should add that it would appear unwise for General Franco to reject all idea of an armistice. His recent successes have not been attained without considerable loss, and according to the information in the possession of His Majesty's Government the Barcelona Government are still far from any thought of surrender. General Franco can hardly then look for complete victory in the near future. Hostilities, if pursued to the bitter end, may well drag on into a third year, and the ever-present danger to the peace of Europe resultant therefrom must inevitably grow. They must also entail a further drain upon his resources and increasing damage upon the country which will one day have to be reconstructed, not to speak of the legacy of hatred which will remain.

5. In view of the difficulties attendant on both (*a*) and (*b*), I incline very

strongly to (*c*), and hope that the Italian Government may give it their most earnest consideration. His Majesty's Government have some reason to suppose that some elements in north-eastern part of Spain under the control of the Spanish Government which favour the Republican side are not indisposed to enter into discussions for an armistice now. If this is in fact so, His Majesty's Government are of opinion that the present might seem to be a favourable opportunity to apply pressure all round with a view to securing the suspension of hostilities.

6. This scheme seems to me to afford the quickest and most practical means of bringing our agreement into force, and it would come into force under the happiest auspices if our two Governments could be associated in bringing the war in Spain to an end. Our agreement would then appear not only as restoring the traditional good relations between our two countries, but as affording practical evidence of the influence that our collaboration might contribute to the general pacification of Europe in the future.

7. I hope that you may be able to put all the foregoing to Count Ciano, not as a finally formulated scheme of conditions, but rather as a basis on which we can discuss and explore means of extricating ourselves from the difficulty which, I am sure, embarrasses both Governments equally, and from which it is important to find an issue with the least possible delay.[5]

Repeated to Paris, No. 142, Saving.

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[5] Lord Perth gave Count Ciano on June 20 an aide-mémoire embodying the three British proposals in the above telegram. A second aide-mémoire expressed concern over the existing Franco-Italian tensions. Count Ciano promised a reply in a few days, when he had received instructions from Signor Mussolini. See *Ciano's Diplomatic Papers*, pp. 216–18, and *Ciano's Diary*, p. 129.

No. 665

The Earl of Perth (Rome) to Viscount Halifax (Received July 4)

No. 133 Saving: Telegraphic [*R 5978/23/22*]

ROME, *July 2, 1938*

Count Ciano asked me to come and see him this evening. He reminded me that at our last interview[1] he had promised me shortly a definite reply with regard to the two points I had discussed with him, namely, the question of how and when the Anglo-Italian Agreement could be put into force, and that concerning Franco-Italian relations.

He said that he had informed Signor Mussolini fully of what I had said, and the latter had also been given the two papers I left with him on the 20th June (copies were enclosed in my despatches Nos. 604[2] and 605[2] of that date). Signor Mussolini himself had dealt with the question, and he now gave me a memorandum which Signor Mussolini had written, and had instructed him to hand to me with certain comments. It was, however, to be regarded as a verbal communication. The memorandum runs as follows:

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[1] On June 28: See *Ciano's Diary*, p. 132.

[2] Not printed: see No. 664, note 5.

'1. The Fascist Government take note of the recognition on the part of the Foreign Office that the Fascist Government have already applied (thus demonstrating their good faith in a crystal clear manner) the clauses of the Agreement which most interest Great Britain; such as the withdrawal of troops from Libya, the attitude of disinterestedness in questions concerning Palestine, the suspension of all disagreeable propaganda by broadcasting or in the press.

2. The Fascist Government on their side must note that there has been no corresponding contribution (*contropartita*) on the part of Great Britain, not even since the decisions at Geneva, concerning the Ethiopian question, and not even since the acceptance by Italy of the British plan as regards the withdrawal of volunteers from Spain—a plan which has remained unapplied up till now not through the fault of Italy but owing to the attitude of other States, on whom whatever responsibility may lie should fall and not on Italy.

3. In connexion with the three suggestions formulated by the Foreign Office, Italy declares (a) that the idea of proposing an armistice to Franco is not admissible unless the Reds surrender at discretion, in which case Italy might be able, as she did after the fall of Bilbao, to represent a moderating element; (b) that at the present moment the idea of a unilateral withdrawal of Italian volunteers is no less unacceptable; (c) that it thus only remains, for the application of the Agreements of April 16th, to await the development of events in Spain, either through the Non-Intervention Committee or through the development of the war. The Fascist Government feel bound, not without regret, to state that this delay, which is not due to Italy, risks compromising the moral effects of the Agreements themselves.

4. So far as France is concerned, the Fascist Government reaffirm that there is not and cannot be for them any connexion between any eventual Italo-French Agreements or even the simple resumption of the Italo-French conversations, and the application of the Anglo-Italian Agreements. To establish today a connexion of this kind (which was never brought forward either at the initiation of the Anglo-Italian negotiations or during their course and on the contrary was always formally excluded), would mean that the risk would be run of making the Anglo-Italian Agreements also fall into decay (*decadere*). The resumption of the Italo-French conversations will be able eventually to take place after the application of the Agreements of the 16th April, but never before that, and that for more or less obvious reasons which it is considered useless to specify.

5. The Fascist Government are therefore determined to wait, in the hope that an over-long and unjustified delay will not diminish or annul the value of an instrument like that of April 16th, which was hailed, not only in Italy and in England, but in the whole world as an essential event for peace.'[3]

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[3] The text of this memorandum, in a different translation, is given in *Ciano's Diplomatic Papers*, pp. 220 1. The Italian text was transmitted to the Foreign Office in Rome despatch No. 636 of July 2 (R 5988/23/22).

I read it quickly, and Count Ciano then said that Signor Mussolini desired him to tell me that the Italian Government felt bound, subject to a reservation he would mention later, to resume its liberty of action in respect of the matters dealt with in the Agreement. For instance, they would feel free to stop the withdrawal of volunteers from Libya. Up to now they had withdrawn some 20,000, which was in excess of the numbers they had promised. I interjected that the exchange of notes about the Italian forces in Libya was something apart from the general agreement and was, I thought, already in force. Definite pledges had been given. Count Ciano replied that in his view this was not so; the only document in the Agreement which was actually in force was that relating to 'Bon Voisinage'. Secondly, Signor Mussolini desired that publicity should be given to the informal notes which we had exchanged, including his present memorandum.

I answered that he must remember that this exchange of views started with my conversation with him shortly before Whitsuntide, when the Italian Government had taken the initiative, and if anything were published clearly an account of that conversation would have to be included. He must further realise that I had only left the two documents, to which he had referred, with him as a verbal record to what I had said. Count Ciano answered that he had been instructed to raise this point. No doubt we could ultimately agree on texts. Signor Mussolini was anxious that the whole situation should be made completely clear to public opinion generally since it had been greatly distorted by the press in many countries.

His last point was that the Italian Government would not resume the freedom of action to which he had already referred until Signor Mussolini had received our views on his present paper, which he was anxious to have as soon as possible.

I remarked that I was greatly disturbed by the paper he had given me. I must tell him frankly that it seemed to me in the nature of pressure on His Majesty's Government which would be much resented and which would certainly not be likely to have a favourable reception. The memorandum stated that although the Italian Government had fully fulfilled the conditions of the Agreement the British Government had done nothing on its side. This, I felt, was a very unfair statement of the case. We had taken the initiative at Geneva, and our action there was the cause of Italy receiving the recognition of her Ethiopian conquest by such a large number of States. Count Ciano remarked that recognition by His Majesty's Government was what Italy desired. I enquired whether freedom of action implied that more troops would be sent to Libya. Did it imply that the Bari wireless propaganda would begin again? If it did, then I felt that the chances that the Agreement would ever come into force were small, and I personally held strongly that any breach between England and Italy could not but have deplorable effects generally.

Count Ciano, continually repeating that he was only acting as an agent, said that he could not answer my questions. It did not follow that because Italy resumed freedom of action that she would send back troops to Libya or that she would resume propaganda through the Bari wireless. Italy had been reproached from certain quarters for carrying out so loyally the conditions of the Agreement (I felt he was referring to certain Arab reactions). But public opinion in Italy was becoming impatient. The Agreement had been very warmly received when it was made but its effects were diminishing every day, and people were becoming suspicious. I said that Count Ciano had talked of public opinion in Italy becoming dissatisfied because the Agreement had not come into force. I must remind him that I had spoken to him very seriously about the effect on public opinion in my country of the bombing of British ships by Italian aeroplanes. I personally much doubted whether a breach between England and Italy would be popular in Italy. Count Ciano said that I might be right, but that the younger people particularly were becoming impatient. Mussolini had never mistaken yet public opinion in Italy, and without wishing to be discourteous in any way I must realise that the Fascist Government was not in any way a slave to public opinion. Moreover, we had recently been taking certain action which Italy could not consider as altogether consonant with the spirit of the Agreement. He cited the loan to Turkey, and our activities in Greece and Bulgaria.

I observed that it was quite clear from our exchange of notes that my Government had always regarded a settlement of the Spanish question as requisite to the coming into force of the Agreement. Count Ciano relied on the argument which he has used on many previous occasions, that Italy had done her part and could not be made responsible for the action of other Powers which had greatly delayed matters. I said that I myself hoped and still hoped that it might be possible to continue on the present lines until a settlement of the Spanish question had taken place. I regarded the matter as so grave that probably I should have to ask to see Signor Mussolini himself when I got my final instructions. Count Ciano did not appear to demur, but he held out no hope that Signor Mussolini would be prepared to yield.[4]

As regards Franco-Italian relations, he remarked that the *Temps* and other French newspapers still maintained that the Anglo-Italian Agreement could not come into force until a similar agreement had been concluded with France. I replied that I had made it quite clear in my conversation that my Government had never held this view, and had indeed informed the French Government of our opinion. If Signor Mussolini had read that paper I was at a loss to understand why paragraph 4 of his memorandum had been written. Count Ciano tried to explain it by saying that the first part of it only amounted to a confirmation of the view of the British Government. The new point was that Franco-Italian conversations would not be resumed until the Anglo-Italian Agreement had come into force. I remarked that I felt that when that whole paragraph was read the obvious interpretation would be that the Italian Government was seeking to drive France and England apart, and as he knew any such attempt would be bitterly resented at home.

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[4] In his diary for June 28 (*op. cit.*, p. 132) Count Ciano recorded: 'Mussolini is calm. Very calm. He does not intend to force Franco into stopping the air raids, and he has no desire to make any declaration of this kind. He awaits events with his usual statuesque imperturbability.'

Count Ciano then made a personal appeal to me about how desirable it was that the Agreement should come into force soon and how much he wished and had worked for friendship between our two countries. He knew, also, what I must feel on the subject.

I replied that I quite understood his point of view, but it would not be right for me to conceal from him that the present memorandum and the additional verbal statements had created a most unhappy impression on me personally. I would transmit it at once to His Majesty's Government with an account of our conversation. Count Ciano added that he felt sure that I would admit that up to now Italy had completely fulfilled all the conditions of the Agreement. I said to him that I agreed that this was so, but again emphasised that we had also done what was required at Geneva.[5]

Repeated to Paris No. 17 Saving by bag.

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[5] Lord Perth commented on telegram No. 133 Saving in his telegram No. 516 of July 3 (R 5979/23/22). He did not think that Signor Mussolini would alter the views set forth in his memorandum. 'We are back I fear in the period of suspicions as to our ultimate intentions... If so nothing will dissolve these suspicions except recognition of Italian sovereignty over Ethiopia through coming into force of the agreement'. He suggested a 'short and dignified' reply saying that in view of Signor Mussolini's reply H.M.G. could 'see no other method of securing that settlement of Spanish question which . . . was the definite pre-requisite condition, acknowledged to be such by the Italian Government, to entry into force of the agreement [of April 16]'.

Comment in the Foreign Office was generally in favour of Lord Perth's suggested reply. In a minute of July 6 Mr. Ingram thought that the British *démarche* of June 20 had been made 'on one of Mussolini's bad days, when he had "got out of bed the wrong side", & that he had one of his fits of temper during which he committed himself to a line of action from which he will find it difficult to withdraw'. Sir R. Vansittart wrote on July 5: 'It seems to me that the whole tone of this telegram is intolerable and needs a sharp reply.' See No. 666 below (drafted by Mr. Ingram).

No. 666

Viscount Halifax to the Earl of Perth (Rome)

No. 48[1] *Saving: Telegraphic* [*R 5979/23/22*]

FOREIGN OFFICE, *July 9, 1938*

Your telegrams Nos. 133 Saving[2] and 516.[3]

1. I am unpleasantly surprised at the tone of Signor Mussolini's memorandum, and still more so at the verbal messages accompanying it. Nothing, however, will be gained by controversy and acrimonious language when our common concern must be to find a way out of the difficulties which confront us. In speaking in this sense to Count Ciano you should say that I too regret

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[1] A marginal note by Mr. Ingram of July 9 stated that the Prime Minister had approved the draft of this telegram without alteration.

[2] No. 665.

[3] *Ibid.*, note 5.

that the course of events as well as the difficult problems which arose in the Non-Intervention Committee should have delayed the execution of the British plan and I recognise that these were in no way attributable to the Italian Government. It was on account of these delays that I welcomed the opportunity afforded by Count Ciano in his conversation with you on June 4th to discuss with the Italian Government the possibility of finding some shorter road to our common goal.

2. There can be no dispute that it was always understood that a settlement of the Spanish question was a prerequisite of the entry into force of the Agreement between our two Governments. This was clearly indicated in your letter to Count Ciano of April 16th at the time of the signing of the Agreement.[4] Signor Mussolini is of course well aware of the precise undertakings that have been given to Parliament in this regard (to which I referred in my telegram No. 350)[5] and from which it is impossible for His Majesty's Government to recede. But what he may not so well appreciate is this. In spite of some criticism and difference, British public opinion on the whole has warmly welcomed conclusion of our agreement. The subsequent efforts of the Prime Minister on behalf of His Majesty's Government have been to ensure that opinion here should be not less favourable when the time came for bringing the agreement into force. I am confident that provided we adhere strictly to the undertakings given to Parliament we shall secure this result, but I am equally sure that on any other condition criticism that would be directed against His Majesty's Government would inevitably result in making any general and warm approval of bringing agreement into force impossible. And that seems to us the primary purpose that we must constantly keep in view. It was moreover in response to Signor Mussolini's own initiative on June 4th (see your telegram No. 111 Saving)[6] that I authorised you in my telegram No. 350 to lay frankly before the Italian Government various suggestions regarding a solution of the Spanish problem which would have the effect of accelerating its settlement and thus have enabled His Majesty's Government to proceed to the steps which would bring the agreement into force. I note from paragraph 3 of Signor Mussolini's memorandum that none of these suggestions meet his views and I regret that he appears to have no alternatives to propose.

3. I cannot subscribe to Signor Mussolini's view that the action taken by His Majesty's Government at Geneva[7] to which they pledged themselves in your letter of April 16th constitutes no adequate counterpart to the action taken by the Italian government since the signature of the Agreement. I also hold that the letters exchanged on that date regarding the Libyan garrison entered into force on the date of signature, as did also the other two sets of letters concerning (a) Italian assurances in regard to Spain on the one hand, and United Kingdom intentions to clarify the position of members of the League in regard to the situation in Ethiopia on the other, and (b) Italian accession to the Naval Treaty. I must also in passing observe that the tone of

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[4] See No. 661, note 2.

[5] No. 664.

[6] No. 663.

[7] See No. 662, note 11.

paragraph 4 of Signor Mussolini's memorandum seems to indicate a misreading of the aide-mémoire which you left with Count Ciano on June 20th (see your despatch No. 605 of June 20th).[8] This clearly stated that His Majesty's Government would never subscribe to the thesis that the entry into force of the Anglo-Italian Agreement should be made dependent upon the conclusion of an agreement between France and Italy.

4. On the other hand Signor Mussolini's decision not to resume Italo-French conversations until after the coming into force of the Anglo-Italian Agreement presents a new element in the situation which is bound to cause His Majesty's Government most serious preoccupations. For the fact must be faced that if the Anglo-Italian Agreement enters into force at a time when relations between France and Italy are still strained, this state of affairs is bound to lessen to a serious extent the efficacy of the Agreement as a means whereby the general improvement of European relations should be promoted, and that cordiality and confidence maintained between Great Britain and Italy which it was the object of the Agreement to restore, and which have so happily resulted from it. If the attitude now taken on this point by Signor Mussolini were to become known, it would reinforce anxieties that Signor Mussolini was trying to use the Anglo-Italian Agreement for the purpose of driving a wedge between England and France. Since nothing of this kind is possible, and since the idea is no doubt as little present to Signor Mussolini's mind as any idea is present to our own of attempting to divide Rome from Berlin, it seems a pity gratuitously to lend colour to such suggestion.

5. My main concern, however, is with Anglo-Italian relations and the coming into force of our Agreement. I agree with Signor Mussolini's determination to wait, since no other solution of the impasse seems to have occurred to him and our own suggestions do not appear to find favour with him. His Excellency may rest assured that we will do all in our power to accelerate the execution of the British plan regarding Spain and I trust that the Italian Government will do the same, since it would now seem that the implementation of the plan is the only means whereby a settlement of the Spanish question can be achieved and the Agreement thus come into force. Meanwhile I would earnestly hope that the Italian Government would do or say nothing which might render this outcome more difficult. I am afraid that neither Signor Mussolini's speech reported in your telegram No. 517[9] nor Signor Gayda's article quoted in your telegram No. 518,[9] with its reference to 'continual atmosphere of offence and of war', are calculated to conduce to the end we both desire; and if action were in fact taken on the lines of what Count Ciano said to you in regard to the resumption of liberty of action and the publication of documents recording and resulting from confidential conversations, the effect would be still more unfortunate.

6. I see no reason to suppose that the delay to which we must now reconcile ourselves should, as Signor Mussolini apprehends, diminish or annul the value of our Agreement, which His Majesty's Government, not less than he, recognise to have been regarded by the world as an essential event for peace,

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[8] Not printed: see No. 664, note 5.

[9] Not printed.

provided that we continue to approach all problems of mutual interest in the spirit of frankness which has characterised the present exchanges of view between yourself and Count Ciano. But such frankness would clearly become impossible, particularly where it affects third parties (e.g. the French), if a floodlight of publicity were to be cast on views exchanged in confidential conversations. I trust therefore that Signor Mussolini will agree that the cause of European appeasement as well as that of Anglo-Italian friendship makes it essential that we should be able to talk in full freedom and confidence to one another without the feeling that what we say is liable at any moment to be made public.

7. I hope that Signor Mussolini will give careful consideration to the point of view which I have here expressed and to which I attach great importance. If in the light of it he feels able to make any suggestions other than the coming into force of the Agreement prior to a settlement of the Spanish question, which may help us both in maintaining the full value of the Agreement or in accelerating its entry into force, I hope he will not hesitate to make them. We are both, though no doubt from a different angle, confronted by a common difficulty, arising from events over which neither of us is at present able to exercise complete control. These, however, are secondary to our main purpose, and the importance of understanding and co-operation between our two countries at the present time and in the future seems to me so great that we should not be justified in allowing difficulties, which we must hope to be transitory, to divert us from the policy which our Agreement was designed to further.

No. 667

Note communicated to the Foreign Office by the Prime Minister's private secretary

[W 10559/83/41]

10 DOWNING STREET, *August 4, 1938*

Signor Crolla, Chargé d'Affaires of the Italian Embassy, called on the Prime Minister at 6 P.M. on Wednesday, the 3rd August. He came to enquire as to the meaning to be attached to a reference by the Prime Minister in his speech in the House of Commons on Tuesday, the 26th July, to a settlement of the Spanish question.[1] The Prime Minister assured him that there was no intention of imposing any new condition on the entry into force of the

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[1] There had been considerable doubt (cf. No. 628) as to what was meant by 'a settlement in Spain'. Lord Perth's letter to Count Ciano of April 16 said that 'His Majesty's Government regard a settlement of the Spanish question as a prerequisite of the entry into force of the agreement between our two countries'. In the course of the debate on foreign affairs in the House of Commons on July 26 Mr. Attlee said, referring to the Prime Minister: 'Hitherto we have not known what he meant by a settlement in Spain. Do I understand now that it is merely a question of volunteers being withdrawn?' Mr. Chamberlain replied: 'I would like to see what happens when the volunteers are withdrawn. If His Majesty's Government think that Spain has ceased to be a menace to the peace of Europe, I think we shall regard that as a settlement of the Spanish question.' 338 *H.C.Deb. 5 s.*, col. 2955.

Anglo-Italian Agreement. After expressing his satisfaction at this intimation, Signor Crolla drew attention to the fact that, under the time-table published by the Non-Intervention Committee, while all volunteers were supposed to have left Spain by the one-hundredth day, another fifty-seven days were allowed before the committee was to certify that the withdrawal was complete. He asked if this certification had to be awaited before His Majesty's Government considered their condition fulfilled, pointing out that the Russians might delay matters indefinitely. To this the Prime Minister replied that His Majesty's Government had always reserved to themselves alone the right to say when their condition was fulfilled, and that he personally should consider it fulfilled when the volunteers had gone; he would not consider it necessary to await an official certificate to this effect.[2]

C. G. L. SYERS.

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[2] After Signor Crolla had secured this clarification of the British position the next step forward was an agreement about volunteers between General Franco and his Italian friends. He was undoubtedly anxious to secure belligerent rights and with the war turning in favour of the Nationalists the need for further foreign aid was diminishing. As late as August 20 Count Ciano told Sir N. Charles that the supply of arms from Italy to General Franco must continue, but he recorded in his diary on August 21 that General Franco had turned down an offer of new Italian divisions, and that Signor Mussolini had then come round to the idea of reducing rather than increasing Italian forces in Spain. The repatriation of between ten and fifteen thousand men, providing an obvious basis for agreement with Great Britain, was suggested. During the next few weeks Signor Mussolini appears to have considered a total withdrawal of all the Italian infantry in Spain, but decided that this might be regarded as a betrayal of General Franco; accordingly, one division was to remain. King Boris of Bulgaria, on a visit to London, brought Lord Halifax a message on September 6 from Signor Mussolini to the effect that he was still very anxious to secure the friendship of Great Britain and was in the process of arranging for the withdrawal of all Italian troops from Spain apart from technicians. See Third Series, Volume III, pp. 318–9.

The Czech crisis monopolized attention for the remainder of September, but during the Munich conference Count Ciano and Signor Mussolini assured Mr. Chamberlain that Italy disinterested herself in Spain and would withdraw 10,000 volunteers in the near future. See *Ciano's Diary*, p. 168. Further correspondence regarding the entry into force on November 16 of the Anglo-Italian agreement is printed in Third Series, Volume III, Chapter VI, which commences with an extract from a Foreign Office memorandum of October 2 giving a useful summary of the Anglo-Italian discussions on the subject up to the beginning of October.

APPENDIX I

Extract from Mr. Neville Chamberlain's Diary[1]

Entry dated February 19 and 27, 1938

February 19, 1938

Pressure of work since I became P.M. has prevented me from writing anything in this diary, but my letters to I[da] and H[ilda][2] contain a good deal of information and commentary on what has happened. For the last 3 weeks or so however I. and H. have been in Egypt and I have not ventured to entrust to letters any account of secret proceedings and since I am now faced with an acute internal crisis in the Cabinet I must try and set down one or two observations on what has been happening and has led up to the present situation.

From the first I have been trying to improve relations with the 2 storm centres Berlin and Rome. It seemed to me that we were drifting into worse and worse positions with both with the prospect of having ultimately to face 2 enemies at once. France though very deeply attached to her understanding with us has been in a terribly weak condition being continually subject to attacks on the franc and flights of capital together with industrial troubles and discontent which seriously affects her production of all kinds and particularly of arms and equipment. The U.S.A. has drawn closer to us but the isolationists there are so strong and so vocal that she cannot be depended on for help if we should get into trouble. Again our own armament programme continued to grow and to pile up our financial commitments to a truly alarming extent. The 1500 millions which we contemplated was evidently not the limit of what we should have to spend while the annual cost of maintenance after we had finished rearmament seemed likely to be more than we could find without heavily increased taxation for an indefinite period. I therefore very early took the opportunity of making friendly references to Germany in 2 speeches but though these seemed to be appreciated they elicited no corresponding response and the visit of von Neurath which was to have taken place was cancelled by Hitler.[3] For the time the way to Berlin was blocked but in July I had a meeting with Grandi in the course of which I wrote a letter to Mussolini in friendly terms[4] and this was followed by a very cordial reply from him[5] in which he declared his readiness to open conversations with a view to the removal of all points of difference. I did not show my letter to the Foreign Secretary for I had the feeling that he would object to it. Nevertheless he made no complaint and the F.O. authorised our Ambassador Drummond to say that we hoped the conversations would begin in September.[6] At that time Eden and I both recognised (and the Italians apparently agreed) that the formal recognition of their Abyssinian conquest to which they attached great importance must follow on some declaration by the League that Abyssinia was no longer an independent State and that members of the League were therefore at liberty to recognise the conquest if they chose. We thought then that the League might if conversations went well be willing to make such a declaration at their next meeting but unfortunately during the holiday months Mussolini sent a message to Franco boasting of his share in F's victories[7] and a series of submarine attacks (probably Italian) were made on shipping in the Mediterranean which produced such a bad effect on public opinion that any hope of a League recognition vanished for the time. In the autumn came the Halifax visit to Berlin[8] which received little encouragement from the Foreign Office but in which they concurred. That again was followed by the visit to London of Chautemps and Delbos[9] which produced the best impression and showed that they were ready to play their part in any attempt to get an agreement with the Germans on broad and comprehensive lines.

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[1] Mr. Chamberlain's Diary is kept with the Chamberlain Papers at the University of Birmingham, and this extract is reproduced by permission of the Librarian. There are no entries in the Diary between May 1937 when Mr. Chamberlain became Prime Minister, and February 19, 1938. Parts of the entry for February 19, with its postscript dated February 27, have been printed in Iain Macleod, *Neville Chamberlain*, and Keith Feiling, *Life of Neville Chamberlain*, but it was thought useful to print the extract here in its entirety.

[2] Mr. Chamberlain's sisters.

[3] See Volume XVIII, Nos. 630 and 660.

[4] No. 65.

[5] See No. 81.

[6] See No. 82, note 7.

Fairly soon after the Halifax visit I made up my mind that the colonial question was the most difficult part of any agreement with the Germans and after carefully weighing up all alternatives I arrived at the conclusion that any satisfactory settlement would involve the handing over of Tanganyika though very probably some adjustments of boundaries might be agreed upon. I did not however get any definite plan into my head until after I had met Avenol the Sec[retary General] of the League at Hever Castle on Jan. 8. He then put before me certain ideas which did not seem entirely practicable as they stood but contained a good deal of valuable and useful suggestion. I worked these ideas into a definite plan which I communicated to the Foreign Affairs Com[mittee].[10] It was accepted by them and embodied in the proposals since given to Henderson to put before Hitler.[11] There was no criticism of all this by the Foreign Secretary though he did not make any constructive contribution. Meanwhile other developments had taken place. In late December before we separated for Christmas I spoke to Anthony about the Italian situation. By that time Musso[lini] had given notice of his intention to leave the League.[12] Our relations had steadily deteriorated. The Bari station was pouring out streams of anti-British propaganda, the press was hostile, anti-British intrigue was going on in Egypt, Palestine and Arabia, the Berlin Rome axis had been greatly strengthened, Germany had signed an Anti-Comintern Pact with Japan and Italy had joined it.[13] I told A[nthony] that I feared we were getting ourselves into a deadlock, if we stuck to it that we could not open conversations till the League had given us permission, since the League and Italy were again at daggers drawn. I therefore asked him to study the question and make some suggestion for a way out. He raised no objection in fact he agreed with my view and he then went for a brief holiday in France, leaving me to take charge of the Foreign Office during his absence. Soon afterwards I received from him 2 memoranda and a covering letter[14] in which he said that following our conversations he had instructed the F.O. to study the question and they had produced a memo A. according to which we should trade *de jure* recognition off against sundry concessions by Italy dealing with Spain, Libya, Pantellaria, Arabia etc. He did not like the idea however of setting high moral principles against material advantage and he had instructed the F.O. to produce an alternative B. which he preferred. According to B. he would go to Geneva and endeavour to obtain the support of Delbos for a declaration to be made jointly that the time had come to give recognition of the Abyssinian conquest *de jure*. Then having got that out of the way we could enter on conversations with a clean conscience. I replied that I must reject B.[15] We should be giving away our best card for nothing and moreover we should draw down on ourselves a condemnation more scathing than that aroused by the Hoare

[7] See No. 108, note 4.
[8] See No. 336.
[9] See No. 354.
[10] See No. 465.
[11] See No. 512.
[12] See No. 387.
[13] See No. 274, note 3.
[14] See No. 410.
[15] See No. 415.

Laval proposals. But I did not like A. because it was wrongly presented. We should approach the matter from the angle of obtaining general appeasement to which each must make its contribution and justify *de jure* on that ground which was of interest to all Mediterranean nations and since that sea was a danger spot, to the whole world. Soon after this letter had been despatched Roosevelt sprang a surprise by informing us that he proposed to issue a sort of world appeal to end international tension by a general agreement to abide by international law and order,[16] to begin disarmament and secure access to raw materials and a further point wh[ich] I forget. If this proposal had a favourable reception he would summon to Washington representatives of various small nations such as Switzerland, Belgium Yugoslavia etc. and certain S. American states to formulate a plan for submission to a subsequent conference. He said he would not publish unless by the 17th Jan. (I got this on the 13th) I could assure him of whole hearted support and cooperation. I was in a dilemma. The plan appeared to me fantastic and likely to excite the derision of Germany and Italy. They might even use it to postpone conversations with us and if we were associated with it they would see in it another attempt on the part of the democratic bloc to put the dictators in the wrong. There was no time to consult Anthony for in view of the secrecy on which Roosevelt insisted in emphatic terms I did not dare to telephone. Therefore after consultation with H. Wilson and Cadogan I sent a reply deprecating immediate publication just when we were about to enter on conversations with Germany and Italy and in very guarded terms indicated a possibly hostile reception.[17] This produced a somewhat sulky acquiescence in postponement and some strongly worded warnings against shocking public opinion by giving *de jure* to Italy. On Sunday Anthony got back from France and hurried to Chequers. He did not like my reply and without consulting me sent a fresh wire to R. Lindsay in Washington saying I had not exactly meant what I said. He proposed to me that we should at once call off the idea of Italian conversations lest we should offend U.S.A. but I objected and as we could not agree I summoned the Foreign Affairs C[ommitt]ee of the Cabinet and laid the position before them.[18] As a result we agreed on a compromise reply in which we elucidated our position and made it clear that *de jure* was only to be given as a factor in general appeasement. Subsequent despatches from Lindsay showed that this had the effect desired by me. The course proposed 'entirely met the President's views' and there was no reason why we should not proceed. During the discussions on this matter A[nthony] had suggested resignation but I had pointed out the impossibility of doing this since Roosevelt had enjoined complete secrecy upon us.

Looking back now I cannot recall accurately the changes in Anthony's attitude towards the conversations. During this time Ivy[19] was in Rome and had been feted and made much of. She had seen Mussolini and Ciano and had met practically all the Italians who counted as well as diplomats and other foreigners. She had written to me of the strong dislike and distrust with which Eden was regarded and the general belief that he did not want better relations. She said she had argued that the delays were due to Italian not British actions and that she herself had been assured by Eden before she left London that he wanted to talk as soon as the coast was clear. All seemed in vain. One day she met Ciano and he taxed her with not really believing what she said. It happened she had just received a letter from me in which I had praised her efforts and said I was going to try again to overcome difficulties. The letter was meant for her alone but she read it to Ciano. The effect was magical for he was at last convinced. He

[16] See Nos. 422 and 423. [17] See No. 430. [18] See No. 455, note 2.
[19] Lady Ivy Chamberlain, widow of Sir Austen Chamberlain.

reported what he had heard to Mussolini who sent for Ivy and had the letter read to him again.[20] He too was convinced of my sincerity and sent a message to me by Ivy assuring me of his genuine desire to settle everything between us.[21] Unfortunately this episode seemed to produce in Anthony only further suspicion. If the Italians wanted talks there must be some catch in it, and we had better hang back. Early in February Grandi came back from his holiday and asked to see me and the Foreign Secretary. It was some time before the latter informed me that Grandi wanted to see me and even then he did not suggest that I should meet his wishes. He did however see him himself and once more things appeared to be moving. Anthony discussed subjects of conversation including *de jure* about which he did not appear to think there would be any difficulty or delay in getting League sanction. Yet still no date was fixed for contact and this time it was suggested that we must first get further with the settlement of the Spanish situation and the withdrawal of volunteers. At last there came another surprise from Germany. After a period of silence over the Blomberg affair and the retirement of generals with the appointment of Ribbentrop as foreign minister[22] Schuschnigg the Austrian Chancellor was suddenly summoned to Berchtesgaden where he was outrageously bullied by Hitler[23] and faced with a series of demands to which he was obliged to yield since on this occasion Mussolini gave him no support. Very soon afterwards Ciano told Perth that he had instructed Grandi to press for an early start of the conversations in view of 'possible future happenings'[24] and again a day or two later he met Ivy and asked her to tell me that agreement would be easy now but might be more difficult later in view of certain happenings in Europe.[25] Perth had reported that he had been unable to get any explanation of these mysterious words though we might be more fortunate with Grandi. To me they seemed clear enough. Hitler had made his coup and M[ussolini] was furious about it. He wanted to know where he stood with us for if he had to regard us as a potential enemy he would have to make the best terms he could with Hitler and the closer he was tied to him the more difficult it would be to make an agreement with us. At any rate remembering that Grandi had asked to see me I suggested that now was the time when we should both interview him. This was on Thursday morning the 17th. Anthony agreed and said he would ask Grandi to call at No. 10 next morning when we might try and extract from him the real meaning of Ciano's words. Both A[nthony] and I lunched that day with P. Sassoon.[26] Before I left Downing St. for lunch I received a message that the F[oreign] S[ecretary] would speak to me at lunch. I suspected that this meant another change of mind and so it proved. A[nthony] who sat next me explained that Cadogan had suggested that it might be better that A[nthony] should see Grandi alone and *if necessary* bring him afterwards to see me. I resisted this as I was convinced it was intended to prevent me seeing Grandi lest that should bring the conversations nearer. After lunch A[nthony] asked Cadogan who was present to repeat his suggestion which he did, but again and this time with some help from Margesson, Hankey and others who were also lunching with Philip I succeeded in staving off this attempt. In the course of the evening however a final effort was made by Anthony who sent me a note begging me very earnestly not to commit us to any talks when I met Grandi.

This note convinced me that the issue between us must be faced and faced at once. In my view, to intimate now to Grandi that this was not the moment for conversations would be to convince Musso. that he must consider talks with us 'off' and act accordingly. I had no doubt at all that in his disappointment and exasperation at having been fooled with, as he would think, so long, Italian public opinion would be raised to a white heat against us. There might indeed be some overt act of hostility, and in any case the dictatorships would be driven closer together, the last shreds of Austrian independence would be lost, the Balkan countries would feel compelled to turn towards their powerful neighbours, Czechoslovakia would be swallowed, France would either have to submit to German domination or fight in which case we should almost certainly be drawn in. I could not face the responsibility for allowing such a series of castastrophes to happen and I told Horace Wilson on Friday morning that I was determined to stand firm even though it meant losing my Foreign Secretary. After this events moved swiftly to a crisis. Grandi met Eden and myself in the Cabinet room at 11.[27] He fully confirmed my interpretation of Ciano's words to Perth and Ivy, he denied emphatically that any agreement concerning Austria had been made between Hitler and Mussolini but he said that if we had started conversations before the recent Austrian coup the latter's attitude would have been very different. How could he move troops to the Brenner as he did before, if he felt that Great Britain was a potential enemy and that the Mediterranean at his back was not secure. And now, I asked? It is too late to undo what is done, but what effect would conversations have now on M[ussolini]'s attitude to Austria. It would encourage him, G[randi] replied, to take a stronger and more independent line. He declared that M[ussolini] was ready to discuss anything we chose to mention which might affect our relations: Spain would not be a serious difficulty nor would propaganda. In view of Anthony's note I said finally to Grandi that I thought he had better leave the F[oreign] S[ecretary] and myself to talk and return at 3 o'clock and accordingly he withdrew. When he had gone I said at once that I had no doubt as to what we ought to say to Grandi when he returned. We should say that conversations should begin at once and we would get Perth back for instructions. Anthony however objected. Since M[ussolini] was so ready for conversations this was a reason for withdrawal on our part. We ought not to trust him. He believed there was a German Italian agreement, he did not believe in Grandi's assurances. If Italy was in earnest she would at least make a gesture; she might indeed have accepted the British formula for the withdrawal of volunteers. That would have been an indication of goodwill since she had now been holding up the formula for 10 days. But she had brought nothing whatever and we ought to tell her that this was not the time for opening official talks. I asked if Italian acceptance now of the formula would overcome his scruples. He had made a lot of the want of any sign of good faith but rather inconsistently now declared that acceptance would make no difference whatever. It was clear that the issue was profound and vital. Ostensibly it was whether talks should begin now, really it was whether they should ever begin. There was no accommodation possible and for the first time I could not refrain from reproaches. I told A[nthony] E[den] that he had missed one opportunity after another of advancing towards peace; he had one more chance, probably the last, and he was wanting to throw it away. It was all in vain; I could not move him, so when Grandi returned I told him that I could not give him a final answer then. 'I am calling my cabinet for tomorrow,' I said, 'in order to consult them. Let there be no mistake; I am not at this moment committing myself to yes or no but on Monday when you come again I shall give you the final answer and you will then know exactly where you are.' I said however that it would be helpful to our presentation of the case for talks, should that be our decision, if he could get his govt. to accept the formula and though he explained that it presented great difficulties he promised to put what I said to his govt.

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[20] See No. 495.
[21] See No. 497.
[22] See No. 492, note 1.
[23] See No. 506, note 3.
[24] See No. 538.
[25] See No. 543.
[26] Sir Philip Sassoon, First Commissioner of Works.

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[27] See No. 573.

That night I was engaged to speak at the Edgbaston Annual Ball and I went down to Birmingham for the purpose. Of course I said nothing to indicate that we were on the eve of a Cabinet crisis but I returned to London next morning and the Cabinet met at 3.[28] I began by putting my case at some length and on the broadest grounds and Anthony replied rather ineffectively I thought. I then invited each member of the Cabinet to give his views in turn beginning with the Chancellor, Lord President, Lord Chancellor, in that order and then going alternately to right and left of me till all had spoken. I marked them as they spoke. Twenty of us were present, De La Warr being perhaps fortunately in Australia. Taking out Anthony and myself 14 supported me without qualification, 4 viz. M. MacDonald, W. S. Morrison, Zetland and Elliott [*sic*] with some qualification or reserve. None supported Anthony. When invited to reply he said he could not accept the decision and must resign. Whereupon there was a gasp of horror and W. S. M[orrison] said that made a difference as he had no idea when he gave his advice that resignation was involved. This sounded as though he meant that he was prepared to vote with Anthony rather than accept his resignation so I thought it necessary to say clearly that I could not accept any decision in the opposite sense. Seeing however how my colleagues had been taken aback I proposed adjournment till next day at 3 to give time for consideration and representation. On Sunday I asked A[nthony] to have a private talk before the Cabinet and he came in at 2.45. This time we were able to agree that the difference between us was vital and unbridgeable and that the only way out was resignation. I warned him however that desperate efforts would be made to induce him to reconsider his decision. This was of course what happened. After long discussion in full Cabinet,[29] we suspended our meeting to allow a committee of mediators, Halifax, Inskip, Stanley, M. MacDonald and Morrison to try and accommodate our differences. They however made no attempt to induce me to alter my views, their efforts were directed to convincing Anthony that the differences were less than he made out and that he could with a clear conscience accept the Cabinet's decision and proceed with the talks merely *warning* Grandi that a Spanish settlement was essential to an agreement and that the Italians must implement their promise to accept the formula and abstain from reinforcement. Anthony thus bombarded from all sides and very tired at last begged for an hour's respite to think over his position and we agreed that the committee should wait to hear his decision. About 7 o'clock he came and greatly to his credit as I think, he informed us that nothing that had been said could shake his decision. Accordingly he went off to write his letter of resignation and I summoned the Cabinet at 10 p.m. to hear of our failure.

I am in no doubt that Anthony was right. Some members of the Cabinet were very much alarmed at the disastrous effect which his resignation would have. Elliot, always a weak brother in a crisis, talked of its meaning 'the end of the government'. The most absurd was Oliver Stanley who agreed with me entirely but announced that he considered Anthony's resignation would have such calamitous results that he must—resign too! This characteristic attempt to run away earned him much contempt and ridicule among his stouter hearted colleagues. Morrison on the other hand showed up well declaring that though he had felt a little critical of my 'precipitancy' first of all he considered that all that could be done had been done to keep Anthony and that now we must all stand together. M. MacDonald was equally staunch. He too had had his doubts as to whether I was not going too fast and moreover he was afraid that he might not be able to get the support of his party but he informed me that in any event and no matter what Ministers left he would stay. A crisis like this brings out the best and the worst in men's characters.

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[28] See No. 561 and Appendix II below. This section of the Diary was obviously written after February 19, but there is no break in the original, and it is not clear whether it was written on February 27 or at some point between the two dates.

[29] See No. 568.

I need not now (Feb. 27) recite the sequel which is public property, but I may note that on Sunday morning Horace Wilson gave me a note without any name on it saying that the Italian Govt.'s response would be favourable and H.W. said this came indirectly from Grandi. Later in the day and before the Cabinet he gave me a second similar note saying that Grandi had now given formal assurance that the response was all right and at the Cabinet before resignation had taken place I repeated this in the same words. Anthony repeated then what he had said before to me that it made no difference to him. I did not ask H[orace] W[ilson] who the intermediary was and he did not actually tell me but I assume it was Joseph Ball who had once or twice before given me information of what Grandi whom he knows well, was doing or thinking.[30]

To me it was really a relief that the peace makers were unsuccessful. A[nthony] would never have been able to carry through the negotiations with any conviction and in his hands they might well have failed. Now at least they have a fair prospect of success.

[30] See *ibid.*, note 1.

APPENDIX II

Conclusions[1] of a Meeting[2] of the Cabinet held at 10, Downing Street, S.W.1, on Saturday, February 19, 1938, at 3 p.m.

Cabinet Conclusions No. 6(38)

Secret 2, WHITEHALL GARDENS, S.W.1, *February 19, 1938*

1. The Prime Minister regretted the inconvenience to which he had put his colleagues by summoning a Meeting on Saturday afternoon, but an issue had arisen suddenly of great importance. He and the Foreign Secretary felt that there was no alternative but to put the position to their colleagues. The moment had now arrived when it was necessary to inform the Italian Government whether we were prepared to enter into conversations. He then gave a *resumé* of the history of the question.

The Cabinet was aware that when he took office as Prime Minister he had formed the opinion that it was desirable to make an earnest effort to improve relations with Germany and Italy. He had seen that we were drifting into a position that might soon become dangerous. Our relations with Germany, so far from improving, were getting more embittered, and our relations with Italy were very bad as the result of the Abyssinian affair. At that time no-one realised that our difficulties would also be carried as far as Tokyo, though there was some similarity between the ideas of Japan and the European Dictator States. He had begun by referring to the matter in a short speech that he had made in the House of Commons on the *Leipzig* incident.[3] A little later he had referred to our willingness to receive a visit from a German Minister, for there had been a question of Baron von Neurath coming here.[4] This had aroused no comment in Germany, but no actual response was made, and eventually we had learned that Baron von Neurath could not come at that time. Any advance vis-à-vis Germany, therefore, was blocked.

As regards Italy he recalled that in July he had had a conversation with Count Grandi, whom he had consulted as to the advisability of his (viz., the Prime Minister) sending a letter to Signor Mussolini.[5] The Italian Ambassador had jumped at the proposal and the letter had been sent.[6] There had been an instantaneous response in Italy, and the letter had at once produced a better feeling towards this country. The situation further improved when he wrote to Lord Perth proposing conversations in September.[7] His reasons for these actions had been, first, his realisation of the perils to which our military unpreparedness exposed us, and, second, because, as Chancellor of the Exchequer, he had been oppressed by his realisation of the growing burden of armaments. £1,500 millions was a tremendous sum, but even then he had felt that we should not be able to hold to it without some alleviation in the situation, for he felt certain that we had not got to the bottom of our defence requirements and that these would increase. His apprehensions had been fulfilled, and only at the last Meeting of the Cabinet the figure had been raised to £1,650 millions.[8] Even after that there was the prospect of the Cabinet being faced two years hence with a momentous decision which, if it resulted in further expenditure, would involve the country in the gravest financial dislocation. As the Home Secretary had said the other day, some other countries did not take expenditure into account. We had not yet seen the final result of that, which must be serious. The restrictions which had already been caused had become an appreciable burden, and eventually must be a source of weakness. Our own credit position was an immense strength to the country and in itself was a strong deterrent to war unless an aggressor felt that he could knock us out in the early stages of a war. Consequently we could not get away from that position unless we contemplated some arrangement which would include a reduction or limitation of armaments within a reasonable time. He had felt, therefore, grave apprehensions not only owing to the growing risks of war but also on the score of financial stringency, and had thought it necessary to consider whether he could make a last effort to alleviate the situation, either by some concessions to Germany or some lightening of the position vis-à-vis Italy. His own feeling with regard to Italy was that that country resembled a hysterical woman. Italy felt that we had thwarted her in her assault on Abyssinia and deeply resented it. When the exchange of letters of July had not been followed up in September the Italian Government had behaved in a hysterical manner in her desire to vindicate her position. There had also arisen in the mind of Signor Mussolini a suspicion that the postponement of the conversations was not really for the reasons given, but was part of a Machiavellian plan to gain time until our armaments were completed and we should be in a position to exact concessions. He (the Prime Minister) might be mistaken, but that was his view of the Italian attitude, and it was supported by a good deal of information. The real obstacle to the conversations, however, had been the action of Signor Mussolini himself. He (the Prime Minister) had always assumed that recognition must be preceded by some action by the League of Nations. Signor Mussolini had rendered it impossible to obtain that action at Geneva by his bombastic statements to General Franco and an outbreak of submarine piracy. Signor Mussolini, however, suspected that the delay was due to dark and sinister designs on our part. Before Christmas the Foreign Secretary and himself had had a conversation on the subject. They realised that the question of conversations had reached a deadlock, and what made matters so much the worse was that a good many nations were becoming restive at their inability to put their diplomatic relations with Italy on a proper footing owing to the difficulty of recognition. They had agreed that they should explore the possibilities of escaping from the *impasse*. At first all went well. The Foreign Secretary's soundings at Geneva and with the French Government showed that there were no difficulties in those directions, and the American Government, who at one time had seemed hostile, agreed that recognition would be justified as part of a general appeasement. Moreover, the Italians had become rather more amenable. When we found ourselves compelled to give drastic instructions to our warships as to how they should deal with submarines,[9] the Italians, somewhat to our surprise, volunteered to do the same in their area.[10] Materially this did not mean much, but as a gesture it was highly significant. He himself felt no doubt that this was due to their belief that there was some prospect of conversations. Again, in telegram No. 69, dated February 16th,[11] the Earl of Perth had reported that Count Ciano, at the end of a conversation,

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[1] This is the full version of the Cabinet Conclusions of February 19: cf. No. 561. This document has not been found in the F.O. archives, and the copy used here has been supplied from the Cabinet Office archives.

[2] Present at this meeting were: Mr. N. Chamberlain (in the Chair); Sir J. Simon (Chancellor of the Exchequer); Lord Hailsham (Lord Chancellor); Mr. Eden (Foreign Secretary); the Marquess of Zetland (Secretary of State for India); Sir T. Inskip (Minister for Co-ordination of Defence); Mr. L. Hore-Belisha (Secretary of State for War); Mr. W. Elliot (Secretary of State for Scotland); Mr. W. S. Morrison (Minister of Agriculture and Fisheries); Sir Kingsley Wood (Minister of Health); Lord Halifax (President of the Council); Sir S. Hoare (Home Secretary); Mr. M. MacDonald (Secretary of State for the Dominions); Mr. W. Ormsby Gore (Secretary of the State for the Colonies); Mr. A. Duff Cooper (First Lord of the Admiralty); Lord Swinton (Secretary of State for Air); Mr. O. Stanley (President of the Board of Trade); Lord Stanhope (President of the Board of Education); Mr. E. Brown (Minister of Labour); Mr. E. Burgin (Minister of Transport); Sir M. Hankey (Secretary to the Cabinet).

[3] See Volume XVIII, No. 661.

[4] See No. 92, note 3.

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[5] See No. 64. [6] See No. 65. [7] Cf. No. 82, note 7. [8] See No. 401, note 1.

> 'added that although no great progress had yet been made about the start of conversations he felt something was stirring, and this in itself was a favourable sign'.

That was the situation when Herr Hitler delivered his *coup*. Although the Austrian Chancellor was trying to make out that the position was not so bad and Herr Hitler was claiming his action as an example of his peaceful efforts, we know that Herr Hitler had treated the Austrian Chancellor in a most brutal manner,[12]summoning him to Berchtesgarten [*sic*], confronting him with Generals and, as it was rumoured, movements of troops and threats of the consequences of a refusal. What was the attitude of Italy? Signor Mussolini had gone off on a ski-ing excursion and the Austrian Chancellor could not get an answer to his appeals. He was informed that in fact Signor Mussolini had tried on the telephone to persuade Herr Hitler to adopt an attitude of moderation, but without success. In the end, therefore, he had advised the Austrian Chancellor to make the best terms he could. This seemed to the Prime Minister, in the circumstances, to be a serious change in the situation. Once more an urgent decision had been obtained by force. Europe had received another lesson as to the methods by which Germany would pursue her aims. It was difficult to believe that this effort was the last, or that the eventual result would not be the absorption of Austria and probably some action in Czecho-Slovakia. That produced a dangerous situation. He did not know what would be the reaction in the Balkans. It might lead those States to give up all hope of resistance to the hegemony of Germany. It would seem that this must be unpalatable to Signor Mussolini and that an opportunity offered to encourage him to make a more determined stand.

With the agreement of the Foreign Secretary he had asked Count Grandi to come and see him on the previous day. The Ambassador had come.

> At this point the Prime Minister handed round a record of the conversation made by the Secretary of State for Foreign Affairs (*Appendix*).[13]

The Prime Minister, continuing, said that the Foreign Secretary had received some information to the effect that Signor Mussolini was believed to have entered into an agreement with Germany. The Prime Minister had then told Count Grandi that he wanted to be absolutely frank, that many people were saying that there was some agreement between Germany and Italy over Austria, and had asked him as to the position.

> 'The Ambassador assured the Prime Minister that there was none'.

He gathered that the Foreign Secretary was not prepared to accept this as the whole truth. It might be that Count Grandi was not fully informed. He himself felt, however, that if there was an agreement it was difficult to see why Signor Mussolini should be so anxious for conversations with us. He had then gone on to ask Count Grandi about a rather mysterious passage in a recent telegram from the Earl of Perth[14] stating that Count Ciano

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[9] See No. 487.
[10] See No. 493, note 1.
[11] No. 532.
[12] See No. 506, note 3.
[13] Not printed: see No. 573.

> 'had just written a long letter to Signor Grandi instructing him to urge earnestly on you that an early start should be made with Anglo-Italian conversations *in view of the possibility of certain future happenings*'.

He had also consulted him about a message he himself had received through Lady Chamberlain, where Count Ciano had insisted on the importance of time, Lady Chamberlain's comment being that the Italian Foreign Minister was changed and worried.[15] Count Grandi's interpretation was that Signor Mussolini did not know where he stood or whether he was to regard the United Kingdom as a potential enemy: consequently he could not take a firm line with Herr Hitler. Until he was satisfied on the point he had no alternative but to continue in agreement with Hitler, which would eventually make agreement with us impossible.

The Prime Minister continued that he and the Foreign Secretary had then gone on to discuss with the Ambassador what subjects ought to be covered in the conversations and where they could be held. Count Grandi insisted that the conversations 'should include everything and we could both raise any subject that we desired', as Signor Mussolini wanted a complete agreement and a restoration of our former cordial relations.

On the question of where the conversations should be held he himself had suggested that progress might be made in the first instance in London, and that at the final stage Count Ciano might be brought in to conclude them by a visit. Count Grandi had explained that these were very delicate matters. The original intention had been that the conversations should take place in Rome, and if we now insisted on a change in this respect his Government might think there was some catch. On the whole, therefore, the Prime Minister had felt that we could not press for London as the venue and that we should have to agree on Rome, bringing the Earl of Perth back to London first for instructions.

Next they had discussed the Spanish problem, and Count Grandi had maintained that it would be a mistake to hold up progress in the Anglo-Italian conversations on a question in which others were involved besides the two nations. He had added that he did not think that the Spanish problem need prevent agreement.

At this point they had adjourned until 3 p.m.[16]

On reassembling, the Prime Minister had asked Count Grandi whether the Italian Government would be in a position to accept our proposals in respect of the withdrawal of volunteers if conversations were reopened at once. The Ambassador had explained that the formula was a difficult one for the Italian Government to accept. He had added that perhaps he had been over-optimistic in what he had said on the subject. Eventually Count Grandi had undertaken to consult his Government further on the question. As Signor Mussolini was reported to have summoned his Cabinet, an answer might perhaps be forthcoming very soon. That concluded the history of the question.

The Prime Minister than said that it remained for him to tell the Cabinet that in the matter of the action now to be taken he and the Foreign Secretary did not quite agree. He proposed first to give his colleagues his view, and then for the Foreign Secretary to state his attitude.

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[14] No. 538.

[15] See No. 543.

[16] Cf. No. 561, note 1.

The Prime Minister's view was that the present occasion provided one of the opportunities that came at rare intervals and did not recur. It was an opportunity to show Signor Mussolini that he might have other friends besides Herr Hitler. He himself deeply regretted that it had been impossible to do this earlier. The result of our inability to act had been extremely unfortunate, for it had pushed Signor Mussolini and Herr Hitler together and had resulted in the Anti-Communist Pact. It had led also to the despatch of reinforcements from Italy to North Africa, which was embarrassing to us and was likely to continue unless some agreement was reached. The result of successful conversations would be to give courage to Italy, to Austria, and to the small States of Europe, and to reassure many people who apprehended that Hitler's move in Austria would be followed up by other action to the detriment of the democratic countries. He himself believed that Count Grandi had been telling the truth. He knew that Italians were often unreliable and unstable, but he had watched the Ambassador carefully and at very close quarters and had felt satisfied as to his veracity. He believed that it was not too late to avert a most dangerous situation. In support of this he quoted a telegram from the Earl of Perth reporting a conversation with the Ministers of Soviet Russia and Czecho-Slovakia to the effect that the situation in Central Europe would not recover until the United Kingdom and Italy came to terms.[17] A French Attaché had expressed similar views. He thought there was no difference of opinion between the Foreign Secretary and himself on the desirability in principle of conversations with a view to an agreement with Italy. The issue was as to the method. He asked his colleagues to consider the fact that Count Grandi had said that Signor Mussolini wanted the conversations and that we had long decided that they would suit our need also. If we rejected the present approach it would be taken as a final rebuff and as a confirmation of the suspicions the Italians had long harboured that we were postponing them until we were strong enough to impose our own conditions. In that event the relations between the two countries would be seriously embittered. We should find the Italians giving trouble in Spain; there would be more reinforcements sent to North Africa; propaganda against us would be accentuated; and there would be a repercussion on our conversations with Germany as the Italians would impress upon them that we were altogether unreliable and were 'leading them up the garden path' with the intention of backing out at the end. He was convinced that this was an opportunity that might never occur again, and not to embrace it would be not only unwise but criminal.

In reply to a question, the Prime Minister said that his idea was that the conversations should cover the whole field, that on Monday, when Count Grandi was coming back to receive his final answer, we should say that we were prepared to proceed with the conversations in Rome and were instructing the Earl of Perth to inform the Italian Government. We then proposed to recall the Earl of Perth to receive his precise instructions. His idea was at the same time to inform the French Government and to instruct His Majesty's Ambassador in Germany to inform the German Government that the conversations were not directed in any way against the Berlin-Rome 'axis' but to bring about a general appeasement. If a decision could be taken that afternoon he would try and get the information to Herr Hitler before the latter made his speech on the morrow.[18] He would also like to authorise Sir Nevile Henderson to carry out his instructions to open up the question of conversations with the German Government early next week.

The Secretary of State for Foreign Affairs, before beginning his statement, explained that the account he had prepared of the conversation between the Prime

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[17] See No. 540, note 4.

[18] See No. 567.

Minister and himself and Count Grandi (*Appendix*),[13] although put in the form of a draft Despatch to the Earl of Perth, was not intended to go without modification. Paragraph 10, for example, would not be included.

(At this point the Cabinet adjourned for a few minutes to enable members to read the document in the Appendix.)

The Secretary of State for Foreign Affairs expressed deep regret at his share of the responsibility for this meeting. In the circumstances, however, he had felt it unavoidable. The difference between the Prime Minister and himself had been in regard to methods. He agreed that much depended on our appreciation of Signor Mussolini's motives. It was quite possible to take the view that the Italians had been terrified by the German action in Austria and were anxious to come over into our camp, at the same time closing the Abyssinian chapter and returning to their attitude prior to that episode. If we were sure of this it would be worth while to take the risks of conversations which, in his view, were very real risks. He, however, could not take the view of a change in Signor Mussolini's attitude without further proof. It was sometimes said that the Foreign Office had never given the Italians a fair chance. That was not true. It was they who had recommended the raising of sanctions which was a particularly difficult decision for himself. The main object, rightly or wrongly, had been to improve Anglo-Italian relations. The only result had been to make Italy more attractive to Germany and to cement the Rome-Berlin Axis. He himself had supported the Gentlemen's Agreement[19] with the same object of improving relations. The Italians began to send troops to Spain almost at the same moment. This had been a breach not of the letter but of the spirit of the Agreement. The Submarine Agreement of November, 1936,[20] had shared the same fate. He saw no evidence of a change of heart at the present time. On the contrary, the incorrect and tendencious *communiqué* issued from the Italian Embassy shortly after the conversations of the previous day (reported only in the *Daily Telegraph*, and there only in part) seemed to indicate the contrary. That *communiqué* had gone to America, where it might do harm. As to Italy's silence over Austria, he could suggest an equally probable explanation to that given by the Prime Minister. In fact, he himself was almost convinced that the real explanation was that the Italian Government had done some deal with the German Government under which they had given Hitler a free hand in Austria and retained in return some *quid pro quo* of another kind in the Mediterranean. If that were the case, the Prime Minister has asked why Signor Mussolini had wished to open conversations with us. He believed the reason was that Mussolini wanted some prestige to counter the harm done to his prestige by Austrian events. To open conversations now in Rome would give him that prestige. The Italian Ambassador's explanation was only one more example of Italian methods of political blackmail. To open formal conversations at short notice would be a most unusual procedure. Count Grandi had wanted Lord Perth to inform Count Ciano that we were willing to open the conversations in Rome now. No doubt this would be announced by the Italian Government as the opening of the conversations, after which there would be no hurry. The usual procedure was to prepare the ground and settle details first. If this were not done, Signor Mussolini might allow matters to go on until the main question at issue, namely, that of Spain, was settled, and put on us the onus of breaking off. From every point of view, it was a bad moment for the conversations. Europe would treat it as though we were running after Rome. Berlin would regard it as proof of the value of Italian friendship, and it would be anticipating President Roosevelt's statement next week, so he did not agree to the conversations. If Signor Mussolini was so desperately anxious to change camps, it would be easy for him to give proofs of good faith and good will. He had shown none. He would not even have negotiations in London nor would he agree to the formula for the withdrawal of troops in Spain. Even if they did agree to this, there would be no reason why we should get on any faster with the Spanish question as a whole. It had been suggested that the announcement of official negotiations would produce an immediate *détente* in Europe. He believed the opposite was the case. It would be known that the conversations would have to include *de jure* recognition and it would be regarded as another surrender to the Dictators. The only result would be a panic among our friends and a rush to make a composition with Italy and Germany. There would be an impression of scuttle in England and alienation of public opinion in the United States. What was the alternative? Two things had to be considered. First, what our own attitude should be and, second, what we should say to the Italian Government. On the first point, it was his conviction that it would be a mistake to announce the opening of conversations in Rome at the present time. First, we ought to obtain an indication of Italian good faith and good will. Such an indication could be found in Spain if the Italian Government would modify their attitude there and agree to the formula that we had proposed for the withdrawal of volunteers. If they would then co-operate to the point that the withdrawal had actually begun, the moment would then be appropriate to open conversations. It would be even more appropriate if in the interval Italian anti-British propaganda had died down.

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[19] See Volume XVII, No. 530.

[20] See No. 110, note 4.

Coming to what he would do when Count Grandi returned on Monday, he would like to say that Friday's conversations had been fully considered; that in our view the time was not yet ripe for a formal opening of conversations in Rome: on the other hand, that we did desire to improve Anglo-Italian relations, but that we could not expect to make much progress until some preparatory work had been done especially in connection with Spain. In the meanwhile, we would be very ready to continue informal conversations in London such as had recently been taking place, in order to prepare for the public opening in Rome. In fact, he would insist on the ordinary procedure to prepare for the formal opening. He recognised that the Cabinet might take a different view, but he himself did not feel justified in taking the grave risk which he believed to be involved.

The Chancellor of the Exchequer said he had been very glad to hear the Foreign Secretary begin by defining the difference as one as to methods. In other words, as to timing. This was very important. There was no dispute that the Government wanted conversations with Signor Mussolini. The question was one of when and how. That was the nature of the difference. He could not see how it could be argued that we did not want conversations. That had been the case ever since the Prime Minister's *démarche* last July and he had made our attitude public. Only three weeks ago, the Foreign Secretary had made plain to the French Government that we were not contemplating recognition of Italy's position in Abyssinia in isolation. But we had given a whole list of questions which we hoped to get settled. In this connection he read the following extract from a telegram from the Secretary of State for Foreign Affairs describing a long and very satisfactory conversation with M. Chautemps and M. Delbos at the Quai d'Orsay (Geneva Telegram No. 2 of the 26th January[)]:[21]

> On one point we were quite clear. We considered that we could only grant *de jure* recognition as part of a general appeasement which would include such questions

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[21] No. 473.

> as the Libya garrison, propaganda, Spain, the Red Sea and possibly some demilitarisation in the Mediterranean itself. Such an agreement, if concluded, could fairly be represented to the League of Nations as a contribution to peace and as justifying action on its part to free its Members to grant recognition. The French Ministers appeared entirely to share these views.

Our general attitude, therefore, was quite clear but he agreed that the question of time was important. The Foreign Secretary had asked why Signor Mussolini wanted conversations now. He himself did not dispute that recent events might well have made Signor Mussolini more eager. He recalled, however that the Duce had long wanted these conversations. It was impossible to argue, therefore, that Signor Mussolini wanted the conversations solely in order to obtain a sudden advantage that would enable him to recover credit after the loss of prestige due to events in Austria. The truth was that the Italian Government had shown itself anxious for the conversation for six months past. They had said so again and again. Signor Mussolini had wanted the conversations long before the Austrian trouble, though he might want them more now.

The Chancellor continuing said that the Foreign Secretary, who had special sources of information not available to the Cabinet, asked himself whether the present proposal was not a trap. He himself did not see how we could go on saying that we were anxious to have conversations, but always refuse to get to grips. He would not feel that this was right even if he were more confident than he was of the prospects of success—and he was not particularly confident of this. He did not propose that we should recognise the Italian position in Abyssinia unless we got what we required in return, e.g., in regard to Spain. Were we so sure that we could not get agreement that we were right in refusing conversations? The Government would be open to very serious rebuke if the history of the last six months was reviewed, and it was realised that when this invitation reached them, they had done nothing. He agreed that the announcement made on the previous evening by the Italian Embassy had been bad, but that was only characteristic of Italian methods: that did not justify us in declining conversations that we had talked about for six months. He agreed that events in Austria might have added to Signor Mussolini's desire for the conversations, but that rather added than otherwise to the importance of this approach. Was it an exaggeration to say now that Italy must make the choice? There was one other consideration that had not yet been mentioned. He was not referring to the financial factor, important as it was, but to the feeling that existed all over the country, that we could only watch the Austrian situation and were powerless to do anything. He felt that all the more strongly because at Stresa he had said that the integrity of Austria was a British interest.[22] It was true that he had never promised that we would intervene, but everywhere in Europe people were realising that we were impotent. There would be a great advantage at the present time in any positive step. It would have a useful effect in the House of Commons if we could show that we were seizing the appropriate opportunity offered by Italy which might produce a result. If the Italian intentions should, in fact, be genuine, it would be a grave error to have refused it. There would then be no doubt as to which side Italy would go in Europe. It was not sound, therefore, to say that while we favoured conversations, we thought the present moment inopportune. To take a positive step at the present time would put us in the position of playing the part of a great Power, but to say 'not yesterday, not to-day, not to-morrow, but perhaps some day' would have the opposite effect. He thought, therefore, that the issue was one of time, and that the appropriate time was now.

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[22] See Volume XII, No. 722.

The Lord President of the Council said he would have preferred to hear the opinions of more of his colleagues since as yet his views were rather inchoate. When the Foreign Secretary had been speaking, he had felt the force of the argument that it would not be at all unreasonable to tell Count Grandi that we were quite keen on pursuing the conversations, but that the present moment was not a very good one, and that if the Italians disliked this, we should insist on their showing some evidence of good faith. On that point, however, he felt that the Cabinet must form their judgment on the effect produced on the Prime Minister and Foreign Secretary of the results that that kind of line was likely to have with Count Grandi. After what had happened during the last few months, and the numerous postponements, he could imagine that such a course might produce an adverse effect on the Italian Government disproportionate to our intentions. Having said that he could not quite understand why the Foreign Secretary contemplated conversations at all. He could quite imagine his saying that the subjects were so difficult and unpalatable that we could not face discussions, but that was not the position. He could see that recent events might make some people disposed to oppose conversations with Germany—though he hoped the Government would not adopt that view—but he himself was glad of an opportunity to redress the deplorable impression produced in Austria by 'Gangster' methods. He was apprehensive lest we should postpone too long and lose our opportunity. In August he himself had been acting for the Foreign Secretary who was away. At that time he had supposed that conversations with Italy were to begin in a month. Now six months had elapsed without any conversations. During these months things had happened and conditions did not get any easier. His own disposition was not to delay. He was doubtful also as to whether we should insist on evidence of Italian good-will. It might be that this did not exist, and he would be very watchful and even suspicious, but because agreement had not been reached over Spain or over propaganda, he did not think that that was a reason for saying we would not talk about these things. He felt much the same in regard to conversations with Germany. He drew attention to recent telegrams from His Majesty's Ambassador in Berlin, who made it quite clear that this might be our only chance of reaching agreement. We ought to act as though we hoped to achieve the best, but be prepared for the worst. Delay would not help us at all. If it was true that, as the Foreign Secretary had suggested, Signor Mussolini had in his pocket a post-dated cheque from Germany, delay would not help. He would keep the suggestion in mind, however, and try to produce a situation in which the cheque would never be presented.

The Lord Chancellor said he was prepared to approach the question from the point of view that it might be true that the Italians were not to be relied on. They had betrayed the Triple Alliance at the outbreak of war. That was an argument not against immediate conversations, but against conversations at all. The Government had, however, already decided on conversations. The question, therefore, was solely one of time. If we rejected conversations now, negotiations might not be any easier thereafter. This was the accepted time for Italy, so we ought to concur. Even if Mussolini's motive was one of getting prestige, that should not really make any difference for us. If we were to turn his proposals down now, it would be an inducement to Italy to launch into some adventure and call on Germany to honour her undertaking, whatever it might be. If we were to hold conversations now, the Italians might decide not to go forward with their supposed adventure or to call on Germans for support. He could not see what we had to lose by going forward with the conversations. Whether they took place to-morrow or a month hence, we were equally exposed to the risk of Italian bad faith. Finally, he added that he did not see how we could expect the Italians at this stage to give up the important card they held over the volunteers in Spain.

The Home Secretary said that his views were so well known that he was almost reluctant to speak. There were two considerations that impressed him; first, that a study, not only of the last six months, but of the last twelve years, showed that we had always been too late; the second, that the alternative to conversations now was no conversations—we should get no second chance. The real alternative indeed was one even more grim than the prospect that had been held out by the Minister for Co-ordination of Defence at the last meeting of the Cabinet. In addition, Europe would be divided into two camps. That would involve us in approaching our defensive position in a totally different manner, which would affect the whole national life. We should have to prepare here and now for a war emergency. That was what every successive Chief of Staff reported practically at every meeting of the Committee of Imperial Defence. Consequently, we ought to decide in favour of immediate conversations, but we should keep our eyes open and make clear to the country that we are not yielding to the Dictators. The risk of any other course was so great, that there was really no alternative.

The Minister for Co-ordination of Defence agreed with those who had spoken before. The suggestion had been made that Signor Mussolini had a bargain with Herr Hitler. It had also been said that he did not like what had happened in Austria. If so he should be in a better mood. After the Prime Minister's letter of last August, if no conversations took place, Signor Mussolini would say that this was a final determination on our part not to proceed. Mussolini was subjected to troubles on Abyssinia and to economic difficulties. If we refused to converse with him the effect might well be for him to start making his plunge with a view to rushing into action before his situation became desperate. In fact a refusal was almost calculated to provoke an attack. He himself was not much impressed by the prestige argument. Only the strong and self-reliant could afford to ignore prestige. If we went ahead with the conversations that would be the natural sequence of events. If we did not people would say 'The Cabinet has changed its mind'. The only objection was that people might say that the decision was due to what had happened in Austria. That did not appeal to him as much of a reason for desisting. He thought we should pursue the conversations.

The First Lord of the Admiralty asked what was the nature of the post-dated cheque which Mussolini was supposed to have received from Hitler. He himself believed that Italy had all the time been apprehensive of eventual attack by us, and that if there were a post-dated cheque it probably consisted in a promise by Germany to support him against that eventuality. As it would never arise, there was not much risk. It ought to be remembered that after the Nyon Conference Italy had withdrawn her submarines from the Western Mediterranean. The only post-Nyon attack had been by a submarine with non-Italian personnel. He appreciated the danger of a hostile Italy in the Mediterranean, but even if we spent double what we now proposed, we could not provide adequately to meet it. He was impressed by what the Foreign Secretary had said, and more particularly by his instinct, based, of course, on immersion in foreign affairs, that the time for conversations was inappropriate, but he gathered that his colleague agreed to conversations later. If the choice lay between now and a month hence, he might agree. He himself thought, however, that the moment was now.

The Dominions Secretary was anxious, like his colleagues, that the conversations should be pursued and followed up, if only in order to make some progress in reducing the number of enemies with which the Chiefs of Staff were so gravely concerned. All agreed on that, but it was a matter of timing. He gathered that the Prime Minister proposed to make an announcement on Monday.

The Prime Minister said that the proposed announcement would only be to Count Grandi, and not to the world.

The Dominions Secretary said that if the announcement were made to the Ambassador, it would be difficult to avoid announcing it publicly. This was illustrated by the Italian Embassy's announcement on the previous day. He thought the Foreign Secretary would have to say something in the House of Commons.[23] In normal circumstances careful preparation was necessary before a conference. Today, perhaps, circumstances were abnormal, and there might be, as the Prime Minister had said, an opportunity that we could not miss, but even so we ought to make sure that there was a reasonable chance of making headway, or at least of our not being made to look foolish later, before we committed ourselves. He gathered that the Foreign Secretary appreciated that there existed some German-Italian bargain. Signor Mussolini's attitude certainly was rather strange. It might, of course, be that he had weakened Italy by his Abyssinian and Spanish adventures, but the other explanation that there had been a bargain was an equally plausible one. So before announcing the conversations he would like to be clear that Signor Mussolini would not thereafter send further reinforcements to Spain, or issue encouraging messages to General Franco, as he had done before. He thought our prestige would suffer from an immediate acceptance of conversations, and the Government would be asked if they had received any assurances. Consequently we ought to obtain that kind of assurance about Spain. He would, therefore, support the Foreign Secretary to the point of insisting on some such assurance, and he would also try for the acceptance of our formula over the withdrawal of volunteers in Spain. We should be in a stronger position if we could get that. He did not think that if Signor Mussolini really wanted conversations he could object to that. Consequently his proposal was that we should not say to Count Grandi 'We will enter into conversations'. He would say that we wanted the conversations, but that we wanted certain assurances first, and we might quite possibly get them. So, although he wanted conversations, he would not be precipitate in acceptance. He agreed with the Home Secretary that the Government would encounter political criticism at home. He was impressed with what the Chancellor of the Exchequer had said to the effect that after events in Austria public opinion might be inclined to receive the announcement with relief. It has to be remembered, however, that there were different currents of public opinion, and that a large number of people detested Italy. At one time Mr. Churchill had been among those. Caution, therefore, was necessary.

The Minister of Labour pointed out that in spite of Hitler's action in Austria, nothing had been done by the Stresa Powers. If there were any chance of securing Signor Mussolini's return to his original position we ought not to lose the chance. The time for conversations was now.

The Secretary of State for India realised that this was a difficult decision for the Cabinet. He appreciated the suggestions of the Dominions Secretary about Spain. The attitude of Count Grandi had been unsatisfactory in so much as he had receded from his previous optimism. It almost looked as though between the morning and afternoon meetings of the previous day, he must have consulted his Government.

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[23] The following words were deleted from the end of this sentence: 'though it seemed to him too precipitate.'

There was another consideration of gravity that had not been mentioned. What would be the effect of a sudden approach to Signor Mussolini, surrounded by a lot of publicity, on Hitler himself? What would be the effect on our relations with Germany? Neither Mussolini nor Hitler was a comfortable bedfellow, but he himself was conscious of the importance of the improvement of our relations with one or another. He thought the prospects with Germany were better than with Italy, so he hesitated to take any step that might retard an improvement in our relations with Germany. On the whole an improvement of relations with Germany would be a better bargain than with Italy. He had not a great opinion of the Italians as people with whom to go tiger hunting. That was a consideration he could not get out of his mind. The Germans were rather a stupid people in political questions, but they could hardly overlook that Anglo-Italian conversations at this moment might weaken the Rome-Berlin Axis. Whatever assurances we gave they would assume that our fundamental object was to detach Italy. He would like to know the Foreign Secretary's view on that point. His own view was that it would be better to postpone the conversations for a time. If Signor Mussolini really wanted them to continue, why should he object?

The Minister of Health said he appreciated the point of view of the Foreign Secretary and Dominions Secretary, but he thought they had failed to realise the immediate dangers of the situation. In his view it would be asking too much to expect Signor Mussolini to give up one of his strong cards (over Spain) before the conversations began. If the results of the conversations were satisfactory in regard to Spain, everyone would be satisfied.

(The Foreign Secretary indicated dissent).

He thought therefore, that we should seize the present opportunity. If on Monday Count Grandi was informed that we were not willing to continue, that would be an end of the prospect of conversations. If we accepted, many people would get relief by reducing the number of our enemies. After the recent report by the Minister for Co-ordination of Defence we certainly ought to try and reduce the number of our enemies. There were risks in every course, but he thought we should try to come to terms with Italy.

The Secretary of State for War understood the Foreign Secretary's reluctance to embark on the conversations in view of previous experience, but if, as was not disputed, we must have conversations sometime, why not now? The Prime Minister had said that this was one of the decisive moments in history. If that view was accepted, the only answer was 'Now'. Events in Austria had left the world breathless. We were losing the confidence of all the South European States. Events in Austria had shown them that they could not rely on France and ourselves to act. He had heard the suggestion that some deal had been made between Hitler and Mussolini. We could clarify that by means of conversations, because Italy could not reach agreement with us if she had done a deal. He asked himself a question as to who would be pleased if we refused the conversations. Not the South European States. Germany alone would be pleased. The Secretary of State for India had said that he would not care to go tiger hunting with Italians, but the Germans were tiger hunting now. If Germany were to gain the belief that she had an open field, and that we could do nothing, the results would be incalculable. It was true that Signor Mussolini might gain some kudos from immediate conversations, but many peopole would derive encouragement. If we neglected the present opportunity, we might say goodbye to all negotiations. Count Grandi had been summoned to meet the Prime Minister and the Foreign Secretary. He had informed Signor Mussolini. To answer that we had found some new reason for postponement would be almost to invite an aggression.

The President of the Board of Education said he had tried to put himself into the shoes of Italy. Signor Mussolini had lost prestige. If he could not get the conversations now, he would put the blame on us. We might be able to get more from him today than we could by postponement. As to Spain, he did not agree with the Dominions Secretary. He recalled that the Germans had wanted to get out of Spain some time ago, but had been unable to extricate their troops. Signor Mussolini probably had the same idea today, and if he were granted the conversations, he would use them for that purpose. Otherwise, he would not withdraw his troops. Up to now our attitude had been somewhat negative. If Signor Mussolini could not see a change, he would regard it as one of hostility. He did not think that many people would say that we were running after Italy in consequence of what had happened in Austria, although they might say that our object was to avoid the colonial issue. He thought that the conversations should take place now and not later.

The President of the Board of Trade said it was impossible for an ordinary member of the Cabinet to decide what was the intention of Italy. The very fact that the Foreign Secretary and the Prime Minister disagreed made it the more difficult. If the Prime Minister was right in his estimate of the position, the effect of a refusal of conversations would be disastrous. There was no middle position between conversations now and later. After all that had happened, an anti-climax of that kind would be tantamount to a refusal. If Signor Mussolini was sincere, that refusal would be a disaster. If that was the case, what we stood to lose by conversations was nothing compared with what we were certain to lose by refusal. He agreed that immediate conversations would involve political difficulties here but that would be equally true at any other time. Moreover, events in Austria should tend to reduce that opposition. As to the prestige argument, if that were a right one, it was an argument against reaching an agreement at any time. If Signor Mussolini was going to cash a post-dated cheque in a few weeks, he would not want this temporary prestige. As to the suggestion that we should demand proofs of Mussolini's goodwill, he thought that that was too much to ask. The Americans were in the habit of demanding agreement to all their *desiderata* before the negotiations took place. That, however, was peculiar to that nation. Signor Mussolini could not be expected to give up his position over the withdrawal of troops from Spain beforehand. Withdrawal would, in any event, be a blow to his prestige which he could only cover by an agreement with us. He would distinguish, however, between demanding a withdrawal of troops and that he should not sent reinforcements. When entering on a negotiation, we were entitled to say that each side was at liberty to alter the situation to meet their own requirements.

The Minister of Transport supported the Prime Minister's view both as to the course to be taken and the method. Nothing would damage Signor Mussolini's prestige so much as the admission that Brescia and other north Italian towns must be friends with Austria. Memories there were too long. When the Rhineland occupation took place, the Germans had been surprised that nothing had happened. This time they would accept some move. He himself had long experience in negotiations with Italians. It was important to concentrate on the essentials and leave them to make play with the non-essentials.

The Minister of Agriculture and Fisheries said that the difficulties of the issue before the Cabinet were proved by the fact that the Prime Minister and the Foreign Secretary differed. There would certainly be criticism of a decision in favour of conversations and, in this respect, he shared the view of the Secretary of State for India. He thought, however that the prestige argument did not go very far. Would Turkey and other countries, for example, think that we had gone into these conversations under the inspiration of fear? He thought not. There had been talk of a deal between Hitler and Mussolini, but Hitler had felt able to take action against Austria because Mussolini had been weakened by his adventures in Spain and Abyssinia. When he reviewed everything that had happened, he reluctantly came down in favour of going ahead with the conversations. He thought, however, that we ought to obtain some assurance on the lines suggested by the Dominions Secretary and the President of the Board of Trade, for example, that nothing should be done by one nation to the detriment of the other. He thought, however, that we should go further than this. During the negotiations, we might find ourselves in a position of being blackmailed to give up something essential lest we should have the responsibility of breaking off negotiations. The situation would then be worse than it was now. It was rather difficult to find suitable assurances, but he would try and obtain them in regard to Spain. If we could not get them, he would still be in favour of going on with the conversations.

The Secretary of State for the Colonies said that his position approached that of the Secretary of State for India and he had rather hoped that we should have started conversations first with Germany. Two events had happened however. First the episode at Berchtesgaden and then Count Grandi's visit to Downing Street. After this, it would be a mistake to postpone conversations or to bargain about the conditions of negotiations. If we did not go ahead our last chance would be lost. Of the two, he himself preferred Hitler to Mussolini, Germany to Italy, but, in view of recent events, he thought it right that we should go forward and start conversations with the Italians as soon as possible.

The Secretary of State for Scotland said that until he saw exactly what our objective was in the conversations, he saw the utmost danger in going ahead. If we did not intend to stand firm on a point like Spain, there would be great danger both in our own counsels and in Parliament. He would be apprehensive lest Signor Mussolini at some point might say 'Close now or I break off negotiations'. The reason we were contemplating these negotiations was at bottom due to fear. Small nations could see this as well as we could. It was as likely to be interpreted as action due to fear as to courage. The *bloc* of Powers in the Middle East, Ibn Saud, Iraq, etc., would say that England too was yielding to the Dictators. In effect, we should be entering on conversations which we had undertaken to bring to a successful conclusion. (A good deal of dissent was expressed to the latter observation.)

The Secretary of State for Air said everyone agreed we had contemplated conversations with Italy. Otherwise he doubted if the Cabinet would have been content with the figures for expenditure on armaments large as those figures were. The decision that had been taken, however, rendered it impossible for us to reinforce Egypt adequately except by exposing our home front to danger. He realised that the conversations would be difficult, but there was a chance of a reasonable agreement. He shared the general mistrust of the Italians but that struck at the argument not of time but of having conversations at all. It was said that a Dictator could swing public opinion as he wished, but it would be much harder for Mussolini to swing Italian opinion against this country after an agreement. We could not ask Italy to give up her principal cards before the conversations. There were times when Governments ought to take a lead and this was such a time. If it were true that the country would be in jeopardy if we could not bring off a success, then we ought to make the attempt. Generally speaking, the feeling of the country was strongly in favour of peace and this argument would, he thought, beat down every other consideration. He did not believe that conversations with Italy would destroy the prospects with Germany.

The Prime Minister said that everyone had now expressed their view and there was no doubt as to the general opinion. The circumstances were exceptional and it would not be possible to have a long delay on a prior negotiation before the proper negotiations opened. That did not mean that we should obtain no assurances. He recalled that at the end of the conversations on the previous day, Count Grandi had promised to consult his Government on the question of the formula for the withdrawal of troops from Spain. If, on Monday, he could give a satisfactory answer so much the better, but if he could not, he felt that we should not refuse the conversations in Rome. There was, however, a second suggestion, namely, of stipulating that no reinforcements should be sent to Spain. The difficulty he saw there was that the Italians might say that their action must depend on the action of others. That dilemma was certain to arise.

The Foreign Secretary expressed his thanks to his colleagues. He realised that his own point of view had not carried conviction and hoped that this was due to the merits of his case and not to his presentation. Everyone recognised that there were risks in the course now proposed. He felt that a good deal might be lost by undertaking the conversations. As to how the world viewed them:—we could not announce that Austria would come into the field of the conversations and people would say that we were negotiating about Spain and Abyssinia.

The Prime Minister added 'and the various questions in the Mediterranean and propaganda'.

The Foreign Secretary continuing said that, following so closely on events in Austria, it would be said that we were going to Canossa. That was the meaning of what Mussolini had said to the Earl of Perth and Lady Chamberlain. Consequently our prestige would be lowered. It would not be the same if we were to make rapid progress with the Spanish problem. He agreed that we could not expect a satisfactory assurance on Spain before the conversations but that showed the difficulty of getting an answer at all. He felt it conceivable that if Signor Mussolini really wanted the conversations, he might give an assurance after all. We were only asking Signor Mussolini to put us in a position to make progress on a point on which Italy alone was holding us up and where everyone else would give their assent. To give their assent was not a surrender on his part. It might be true that Mussolini wanted to get out of Spain but, on the other hand, he might have wanted to make a deal with Germany. Listening to Count Grandi had made him realise how difficult the Italians were to deal with. All he suggested, therefore, was that some progress should be made with Spain before a public answer was given. He said that he had received a note from the French Government on the Austrian situation which ought to be considered almost at once. He thought it would be necessary to announce our policy in regard to Austria very shortly.

Turning to the question of Italian conversations, he said he felt bound to say that he could not recommend to the House of Commons and argue in favour of a course in which he did not agree. If his colleagues decided against his view, he hoped they would find someone else to help them to carry through this decision.

In reply to a request for an explanation, he said he could not recommend to the House of Commons a course in which he did not believe.

The Prime Minister said that that was a distressing situation. The more so, because he himself held the opposite view so strongly that he could not accept any other decision. In the circumstances, he thought that the right course would be to adjourn until the following evening.

In the course of a short discussion which followed, emphasis was laid on the fact that the Cabinet were dealing not with a question of principle but with a question of method and timing. A resignation should only take place on a question of principle. Examples were given from personal experience of a yielding to the views of the majority of the Cabinet on questions that did not involve principle, however important that might be.

A suggestion was made that in order to meet the difficulties of the Foreign Secretary, Count Grandi should be asked to agree to include in the announcement a statement that a decision on Spain would be an important element in the success of the conversations.

At the end of the meeting, the Prime Minister said that the Foreign Secretary was well aware of the extent of his own regard and his recognition of the great service he had rendered. He deeply deplored the present difference of opinion. The issue was a large one. He knew that the Foreign Secretary had had an anxious and worrying time. To take a decision hastily in those circumstances would be wrong. He hoped, therefore, that the decision might be considered as postponed until the following day.

The Cabinet agreed:

To adjourn until the following day at 3.0 p.m.

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